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ABSTRACT

Decentralization is one of the major trends in educational management in recent years. Among the many such reforms that have been undertaken, the introduction of school-based management in the structure of education governance is one of the most controversial developments. The implementation of such reform is increasingly advocated in different part of the world as a way to increase the efficiency and effectiveness of schools. This booklet reviews the origins and the basic features of the concept, the preliminary lessons that can be drawn from its introduction, and also the conditions required for its successful implementation. This work is the first in a series of three that will review and discuss the pros and cons of decentralization and how to go about it. This edition describes the implementation of school-based management models in six countries and also documents various decentralization movements that have emerged in several European countries. An Australian State of Victoria case study explores the political and pedagogical contexts for this reform and provides insights into the role played by the various actors and agencies that have been involved. (Contains 117 references.) (DFR)

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Fundamentals of Educational Planning

School-based management

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School-based management

Ibtisam Abu-Duhou

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Fundamentals of educational planning

The booklets in this series are written primarily for two types of clientele: those engaged in educational planning and administration, in developing as well as developed countries; and others, less specialized, such as senior government officials and policy-makers who seek a more general understanding of educational planning and of how it is related to overall national development. They are intended to be of use either for private study or in formal training programmes.

Since this series was launched in 1967 practices and concepts of educational planning have undergone substantial change. Many of the assumptions which underlay earlier attempts to rationalise the process of educational development have been criticised or abandoned. Even if rigid mandatory centralized planning has now clearly proven to be inappropriate, this does not mean that all forms of planning have been dispensed with. On the contrary, the need for collecting data, evaluating the efficiency of existing programmes, undertaking a wide range of studies, exploring the future and fostering broad debate on these bases to guide educational policy and decision-making has become even more acute than before.

The scope of educational planning has been broadened. In addition to the formal system of education, it is now applied to all other important educational efforts in non-formal settings. Attention to the growth and expansion of education systems is being complemented and sometimes even replaced by a growing concern for the quality of the entire educational process and for the control of its results. Finally, planners and administrators have become more and more aware of the importance of implementation strategies and of the role of different regulatory mechanisms in this respect: the choice of financing methods, the examination and certification procedures or various other regulation and incentive structures. The concern of planners is twofold: to reach a better understanding of the validity of education

in its own empirically observed specific dimensions and to help in defining appropriate strategies for change.

The purpose of these booklets includes monitoring the evolution and change in educational policies and their effect upon educational planning requirements; highlighting current issues of educational planning and analysing them in the context of their historical and societal setting; and disseminating methodologies of planning which can be applied in the context of both the developed and the developing countries.

In order to help the Institute identify the real up-to-date issues in educational planning and policy-making in different parts of the world, an Editorial Board has been appointed, composed of two general editors and associate editors from different regions, all professionals of high repute in their own field. At the first meeting of this new Editorial Board in January 1990, its members identified key topics to be covered in the coming issues under the following headings:

1. Education and development.
2. Equity considerations.
3. Quality of education.
4. Structure, administration and management of education.
5. Curriculum.
6. Cost and financing of education.
7. Planning techniques and approaches.
8. Information systems, monitoring and evaluation.

Each heading is covered by one or two associate editors.

The series has been carefully planned but no attempt has been made to avoid differences or even contradictions in the views expressed by the authors. The Institute itself does not wish to impose any official doctrine. Thus, while the views are the responsibility of the authors and may not always be shared by UNESCO or the IIEP, they warrant attention in the international forum of ideas. Indeed, one of the purposes of this series is to reflect a diversity of experience and opinions by giving different authors from a wide range of

backgrounds and disciplines the opportunity of expressing their views on changing theories and practices in educational planning.

Decentralization is certainly one of the major trends in educational management in recent years. Amongst the many such reforms that have been undertaken, the introduction of school-based management in the structure of educational governance is certainly one of the most interesting, but also most controversial, developments.

At a time when the implementation of such reform is increasingly advocated in different parts of the world as a way to increasing the efficiency and effectiveness of schools, it was felt particularly important to review the origins and the basic features of the concept, the preliminary lessons that can be drawn from its introduction, but also the conditions required for its successful implementation.

This booklet is the first of a series of three, which will review and discuss the pros and cons of decentralization and how to go about it. The IIEP hopes to contribute in this way to a very important debate in educational planning and management.

Conscious of the importance of this theme, the Editorial Board has requested Ibtisam Abu-Duhou, who holds a senior academic position at the University of Melbourne, Australia, to write a booklet on this topic. She has considerable experience in educational management, both in developed and developing countries. The Institute is very grateful to Ibtisam Abu-Duhou for this timely contribution to its series.

Jacques Hallak
Assistant Director-General, UNESCO
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Preface

As we approach the end of the twentieth century, educational planners and administrators are increasingly being asked to address many factors that are shaping society as a whole. In most countries of the world one of the most important of these factors has been the re-positioning of certain powers and responsibilities away from central governments towards local communities. This transformation has been driven by many different forces: political ('democratic decision-making requires the involvement of local communities as key stakeholders'), social ('local decisions are more sensitive to community needs'), and economic ('more efficient and effective resource usage requires local control of resource allocation decisions').

In some ministries of education this trend has often been expressed as a 'decentralization' process that has moved decision-making control closer to schools in domains which have included aspects of the curriculum, the allocation and use of resources and, in some cases, student assessment procedures and staffing decisions. The most extreme forms of this re-alignment of power and responsibilities have been associated with the restructuring of public education systems into networks of self-managing schools that are organized around centralized policy guidelines, combined with school-level autonomy for the management of the educational environment and the deployment of resources. This reform of educational administration has emerged in many different guises – but it is often described under the general heading of 'school-based management'.

This booklet commences with a review of the origins and basic features of the concept of decentralization and its operationalization as school-based management. The review highlights the related emerging concern of how to increase school-level autonomy and, at the same time, ensure an orderly delivery of high-quality education for a whole country that is equitable across the geographic, socio-economic, and cultural divisions of society.

The booklet then moves on to describe the implementation of school-based management models in six countries, and also documents various decentralization movements that have emerged in several European countries. An overview of these case studies notes that the most radical system-wide application of school-based management has occurred in the Australian State of Victoria, where some 90 per cent of the ministry's total operating budget has been delegated to school-based control. The Victorian case study explores the political and pedagogical contexts for this reform and provides some excellent insights into the roles played by the various actors and agencies that have been involved.

The next issue taken up in the booklet is the matter of 'leadership' and its key function within school-based management reforms – especially the role of decision-makers with respect to enhanced levels of financial delegation. Evidence is presented to suggest how school-based management makes school communities more aware of the need for effective and purposeful management and, at the same time, encourages flexibility for schools to direct (and re-direct) resources to meet perceived needs. The discussion of these issues concedes that, at this time, no clear research evidence is available to indicate that school-based management has had a measurable positive impact upon student outcomes. The booklet concludes with a very useful overview of 'lessons learned' for school-based management reforms, and this is accompanied by an analysis of the main issues that must be addressed for reforms of this kind to succeed.

This issue of the *Fundamentals of Educational Planning series* arrives at an opportune time, when many ministries of education are contemplating (or are in the process of moving towards) more decentralized models of administration. The booklet's main value in this setting is to clarify concepts and terminology and to provide a very informative account of the experiences and lessons that have been gathered in this area in many school systems.

The members of the Editorial Board of the *Fundamentals of Educational Planning series* see this booklet as a major contribution to an emerging debate on school-based management that will

undoubtedly grow in strength and coverage as we enter the next century. In this sense the booklet should be seen as a valuable starting point for analyzing, comparing, and evaluating the process of school-based management – and not as the final word on this rapidly evolving pattern of educational reform.

Kenneth N. Ross
Associate Editor

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List of abbreviations

CASES	Computerized Administrative Systems Environment for Schools
CATs	Common Assessment Tasks
CIS	Corporate Information System
CMIS	CASES Management Information System
CSF	Curriculum and Standards Framework
DOE	Department of Education
DLP	District Liaison Principal
DSE	Directorate of School Education
EMIS	Education Management Information System
FAS	Funding Agency for Schools
GAT	General Achievement Test
GMS	Grant-Maintained School
KLA	Key Learning Areas
LAP	Learning Assessment Project
LEA	Local Education Authority
LSC	Local School Council
LSIC	Local School Improvement Council
LSM	Local School Management
PPAC	Professional Persons Advisory Committee
SBM	School-Based Management
SGB	School Global Budget
SIP	School Improvement Plan
SMC	School Management Committee
SMI	School Management Initiative
SOF	Schools of the Future
VCE	Victorian Certificate of Education

Introduction

As we approach the twenty-first century, policy-makers in general and educational planners and administrators in particular are asked to deal with the many factors which are shaping the society as a whole and which are having a consistent and long-term impact. These factors have been described as 'megatrends' (Naisbitt, 1982; Naisbitt and Aburdene, 1990).[1] In education, Caldwell and Spinks (1992) identified 10 megatrends, one of which would be the move towards decentralization or self-management. They stated: "within centrally determined frameworks, government (public) schools will become largely self-managing, and distinctions between government and non-government (private) schools will narrow" (p. 7). In this respect, schools in several countries around the globe are being asked to become 'self-managed'. This current shift in educational policy and administration reflects a repositioning of power from higher (the centre) to lower (the school) authorities in relation to curriculum, budget and resource allocation, staff and students, and in some instances assessment.

In the 1980s, the concept of community participation in school management became a major theme in school reform in several education systems. Policy-makers began to believe that: "to improve education quality, it is necessary to jump from the *classroom teaching*

1. Among these are the shifts (a) from an industrial society towards an information society; (b) from forced technology towards a 'high tech/high touch' people-oriented use of advanced technology; (c) from reliance on a national economy towards involvement in a world economy; (d) from preoccupation with the short term towards consideration for the long term; (e) from representative democracy towards participatory democracy; (f) from communication and control in hierarchies towards networking; (g) from a concentration of interest and effort in the 'north' (developed countries) towards concern for the 'south' (less developed countries); (h) from institutional help towards self-help; (i) from consideration of 'either/or' towards a 'multiple option' range of choices; and (j) from centralization towards decentralization.

level to school organization level, and reform the structural system and management style of schools" (Cheng, 1996, p. 43, italics in original). As a result, various reform movements followed. Several kinds of improvement programmes were introduced emphasizing the improvement of internal functioning with regard to, for instance, interpersonal relationships and instructional leadership. At the same time, characteristics of effective schools were promoted by the *effective school reform*. Emphasis on a school's autonomy in relation to the use of its resources was promoted by the *self-budgeting school reform*. *School-based curriculum development, School-based staff development and School-based student counselling, and other forms of school-based developments* were introduced by those focusing on decentralization of authority from central education offices.

Nevertheless, some educators argued that "the decentralization of power to school level could not guarantee that schools would use power effectively to enhance education quality. Therefore, both school responsibility bearers and education service receivers should share the decision-making at the school level" (Cheng, 1996, p. 43). This led to the emergence, in the late 1980s, of the shared decision-making restructuring in school management. Governments of differing persuasions decided to take the lead in the change to a more school-based decision-making, within a framework of national policies and guidelines (Hill et al., 1990, p. 1). By the early 1990s, *School-Based Management* became the centrepiece for the restructuring of public education systems in many parts of the world (Caldwell and Spinks, 1988, 1992; David, 1989; Dimmock, 1993 (a and b); O'Donoghue and Dimmock, 1998; Townsend, 1997).

Many English-speaking countries have instituted *School-Based Management* in the structure of educational governance. Some have undergone considerable change, which has resulted in a definite move towards devolution of powers. Several terms have been used to describe this reform. In England and Wales, for example, this reform is referred to as 'Local Management of Schools' and 'Grant-Maintained Schools' as part of the United Kingdom's (UK) 'Educational Reform Acts of 1988 and 1993', while in Australia,

particularly in Victoria, it has been identified as 'The Schools of the Future', and 'Better Schools' in Western Australia. Here there is a focus on finance and resource allocations to schools, just as there has been in Edmonton, Canada, where the former term 'School-Based Budgeting' has been replaced by 'School-Based Decision-Making'. In New Zealand, it is 'Tomorrow's Schools', and 'Charter Schools' in parts of the United States of America (USA), or 'Site-Based Management', 'School-Based Leadership', 'Administrative Decentralization' or just 'Local Control' in other parts. In Hong Kong, it is the 'School-Management Initiative'. Bullock and Thomas (1997, Chapter 5) provided a comprehensive account of decentralization in 11 countries. In addition to the above English-speaking countries, the list included Chile, China, Germany, Poland, Russia, Uganda and Zimbabwe. Fiske (1996) analyzed the "political process of school decentralization" in 10 countries, most in Latin America (Argentina, Brazil, Chile, Colombia, Mexico, Venezuela; in addition to India, New Zealand, and Spain).

Interest in such reform is currently spreading to other parts of the world, including parts of continental Europe (for example, Belgium and the Netherlands, as reported by Hill et al., 1990), most OECD countries and Eastern Europe (see Bolam and van Wieringen, 1993), Israel, and developing countries (see Gamage, 1996). In Eastern Europe, for example, decentralization of government programmes and services is being viewed as a way to reduce overload and congestion in the channels of administration and communication and as a way to improve government's responsiveness to the public and increase the quantity and quality of the services it provides (i.e. Hungary, Poland). In Israel, as a second example, school-based management (SBM) with formula funding was designed to address equity issues. It must be acknowledged that the most radical system-wide application of SBM seems to have occurred in Victoria, Australia (see Odden and Busch, 1998; Townsend, 1997; Caldwell, 1998(a, b); and others).

The purpose of this book is to review the origins and basic features of the concept of decentralization of school management or *school-based management* (SBM), as this trend has become increasingly

important in the 1990s. Its implementation has been advocated by many bodies, government and non-government, who are calling for greater local control of schools with the aim of increasing the efficiency and effectiveness of school education. The topic is becoming very controversial, especially among researchers on school effectiveness and school improvement. These researchers have emphasized the importance of strong school leadership, as well as community and parental involvement in improving school effectiveness. The book provides a detailed account of a range of views from various factions on the reform, with an evaluation of its educational imperatives.

The book acknowledges that for many ministries of education the main problem in implementing increased levels of SBM is to balance increased diversity, flexibility, and local control with their responsibilities for ensuring that (a) an orderly delivery of education occurs across the whole nation, and (b) that the quality of this education is fairly similar (equitable) across geographic, socio-economic, and ethnic divisions of society. In other words, the key question for many ministries is how to ensure 'good' and 'equal' levels of educational performance without having to exert high levels of centralized control. This book provides a systematic approach and guidelines on how decision-makers at the centre might address these issues.

While funding is important, another feature of SBM, which will determine its effectiveness and influence equity, is leadership style. Because the old entrenched centralism and bureaucratic hierarchy contrast starkly with the modern theory of localized authority and service from the centre, a fresh cultural mind-set will need to develop. Exceptional leadership from the centre will be necessary to convince school principals and governance that they can accept advice, support, co-operation and adequate funding rather than puppet authority and resource cutbacks. While focusing on resource allocation in SBM determines the equity of the system, leadership at the centre and site level is a crucial factor in determining the successful implementation of a decentralized system. Hence, the stance adopted in this book is that where movement along the centralization-decentralization of school management has been sustained, as it has been in Australia, New Zealand, the UK, and Canada (Edmonton), leadership at the

most *senior* level has succeeded in changing the culture of the system. Further, the leadership role of *principals* at the school level would seem to be crucial to the success of self-management.

Furthermore, the actual impact of various measures on decentralization of educational administration through SBM in a large number of developed and developing countries is still not conclusive (Brown, 1990; Murphy, 1997; Odden and Busch, 1998). As a World Bank report indicates, the factors that make it such an attractive policy are usually the same ones that make it difficult to implement. So, while some countries are legislating to give more devolution of responsibilities to schools and the local community, others are legislating to give more centralized control over aspects of educational governance such as standards of, and access to, educational programmes. In this sense, educational governance encompasses all policies for administrative, financial and organizational arrangements of the education system that exist as a result of legislation at parliamentary or local authority level. It is concerned with who has the responsibility for which components of the system and which functions exercise control. It is concerned with the hierarchy of decision-making, who sets goals and objectives, who allocates resources and who is responsible for the production and distribution of services. Educational governance is more than simply an administrative efficiency, for it also includes exercising power and developing sub-structures through and beyond the parliamentary process. It tests the rules of engagement between the participant interest groups by defining the hierarchies and rules of procedure. In effect it sets up a new organizational system.

While in some countries the thrust of decentralization originated from those at the local level (e.g. Eastern Europe and parts of the USA), in most countries this 'devolution' did not originate from teachers and educators. Rather, the decentralization of the control and governance of schools and school systems has been imposed from the outside by political leaders seeking to achieve improved educational productivity and economic growth. Economic factors have determined the nature of the restructuring process because national governments have linked improvements in their economies with an educated

workforce. Since economic gain is measured in terms of increased productivity, schools are being restructured to maximize 'output', reflected by satisfactory student performance in national standardized tests at various year levels. The potential for the nation's increased productivity is considered to be directly linked to a general improvement in these test results. Beare (1991) suggests that politicians dominate the restructuring agenda because there is a basic distrust of educators. Hence, politicians keen to implement the economic imperative have usurped educational policy-making. He further points out that since economic gain is about productivity and how public and private enterprises are run, business is tending to impose upon education "the kinds of structures which allow firms in the private sector of the economy to be resilient and to survive in post-industrial conditions" (p. 23).

Consequently, the themes of efficiency of performance and accountability recur. And a new administrative format, modelled on that found in private business firms, is shaping the process of management at the school site. In particular, allocation of resources has been made dependent upon the school's ability to attract students. That is, the demands of the market place have forced public (state or government) schools to become more like private schools. That decentralization and SBM will promote greater accountability to the centre as well as to the community, seems very likely; however, whether it will promote greater equity, quality and effectiveness, and improved student outcomes, is yet to be demonstrated.

I. The reform

Structure of the book

After having defined SBM and distinguished between the various views on decentralization, Chapter 1 examines the main features of the reform and aspects of educational management that are relatively centralized and/or decentralized. Questions addressed in this chapter include: what does SBM mean? What is decentralized? What are the main assumptions of this reform? Where did it originate? and what are its main features and trends?

Case studies from English-speaking research are called upon in Chapter 2 to provide answers and evidence of the movement. In particular, detailed case studies are drawn up from Australia, Canada, Hong Kong, New Zealand, the UK, and the USA. Examples from other countries, including non-English speaking and developing countries, are also considered. These case studies and examples are used to show the main actors and forces behind the reform, its characteristics, and the outcomes (if known) of the reform.

This review shows that one of the most radical system-wide applications of SBM occurred in the State of Victoria, Australia. Chapter 3 describes this reform, detailing its historical development, the main players in policy design, implementation design, evaluation process, and the process of implementation itself. This reform was chosen because of its significance to educational planners and administrators. The aim of the chapter is to assist planners and decision-makers to realize the 'actual' roles played by the various actors in the reform, and the process of its implementation. One of the main features of SBM is the funding mechanism and resource allocation policies adopted by the various countries. Still, it is recognized that procedures for resource allocations, which impact on every aspect of the operation of schools, will ultimately determine the equity of the system. Equity must not be sacrificed in the drive for efficiency or

effectiveness, if children are to access quality education and have the opportunity to realize their academic potential. Furthermore, leadership at both the centre and local levels seems to be crucial to the success of SBM. Chapter 4 provides a systematic approach and guidelines on how decision-makers at the centre might address these issues. Chapter 5 draws on the materials provided in the previous chapters to summarize the main characteristics of the reform, to outline how it could be implemented by educational planners and administrators, to summarize the key points involved when a ministry of education decides to move to SBM, and to address some possible future trends.

Devolution or decentralization?

The concept of decentralization has dominated the literature on SBM. However, various views have been espoused as to the meaning of decentralization in education. Since decentralization of schools' governance was imposed by political leaders, it is important to examine its utility in 'government' first. Rondinelli and Cheema (1983) define the concept of decentralization as the transfer of responsibility for planning, management, resource raising and allocation from central government and its agencies to: (a) field units of central government's ministries (education authority level) or agencies (school level); (b) subordinate units or levels of government; (c) semi-autonomous public authorities or corporations; (d) area-wide, regional or functional authorities; or (e) non-governmental private voluntary organizations (quoted from Rondinelli, 1981). Decentralization can be broad or constrained in scope. The degree of responsibility for and discretion in decision-making that is transferred by the central government can vary, from simply adjusting workloads within central government organizations, to the diverting of all government responsibilities for performing a set of what were previously considered to be public sector functions. Several types of decentralization were identified: deconcentration, delegation, devolution, and privatization (see Rondinelli, et al.,1983).

Deconcentration is the handing over of some amount of administrative authority or responsibility to lower levels within central

government ministries and agencies, and it is a shifting of the workloads from centrally located officials to staff or offices outside of the national capital, or centre. Deconcentration, when it is more than mere reorganization, gives some discretion to field agents to plan and implement programmes and projects, or to adjust central directives to local conditions, within guidelines set by central ministry or agency headquarters. It is often justified on the grounds of managing public institutions, including schools, more effectively or efficiently.

Delegation, on the other hand, transfers managerial responsibility for specifically defined functions to organizations that are outside the regular bureaucratic structure and that are only indirectly controlled by the central government. Delegation has long been used in administrative law. It implies that a central authority transfers to an agent specified functions and duties, which the agent has broad discretion to carry out. However, ultimate responsibility remains with the sovereign authority. In many countries, responsibilities have been delegated to public corporations, regional development agencies, special function authorities, semi-autonomous project implementation units, and a variety of organizations (Rondinelli et al., 1983).

Devolution is the creation or strengthening, financially or legally, of sub-national units of government, the activities of which are substantially outside the direct control of the central government. Under devolution, local units of government are autonomous and independent, and their legal status makes them separate or distinct from the central government. Central authorities frequently exercise only indirect, supervisory control over such units. This is different from privatization, which is the total transfer of authority to private firms or individuals.

According to Fiske (1996), planners in any given situation must decide what elements of the system to decentralize (resource generation, spending authority, hiring, curriculum development, and so on), and they must determine to what levels (regional, district, local, school site) they will assign each of these elements. Quoting Hannaway (1996), he continues: "when it comes to designing a decentralization scheme, planners face a 'Rubik's Cube' set of possibilities". This leads one to distinguish between administrative

and political decentralization, which is critical in devising a strategy for decentralization in schools. In education,

> decentralization is considered a management issue, hence a decision to engage in administrative decentralization can be carried out without extensive consultation outside the ministry or the government as a whole. Political decentralization, however, involves a multitude of stakeholders, both inside and outside the government, all of whom will have interests to protect or pursue (Fiske, 1996).

Furthermore, the second distinction relates to the kind of power that is decentralized. According to Fiske, the weakest form of decentralization is deconcentration, which is no more than the shifting of management responsibilities from the central to regional or other lower levels in such a way that the central ministry remains firmly in control. Delegation, on the other hand, is a more extensive approach to decentralization under which central authorities lend authority to lower levels, "with the understanding that the delegated authority can be withdrawn". Devolution is the most far-reaching form of decentralization in that the transfer of authority over financial, administrative, or pedagogical matters is permanent and cannot be revoked at the whim of central officials.

Based on this definition, it follows that devolution would involve the *self-governance* of schools. The move to the devolution of power "places the emphasis for success on schools. It recognizes that a central authority can no longer quickly or appropriately respond to the changing needs of all communities. It acknowledges that only effective schools can lead to the development of an effective system" (Caldwell and Spinks, 1992, p. 121). Caldwell (1993a, p. 3) notes that "the concept of decentralization refers to self-managing schools, not self-governing as the term devolution implies". He adds, referring to the situation in Australia, that "decentralization or delegation occurs when a government or centre of authority determines that decisions formally made at a central level may be made at a level in its own organization which is closer to the point of service". It is a more appropriate description to use the concept of decentralization, rather than devolution, when referring to public education.

Tied to the trend of decentralization, SBM was developed from effective schools research. The concept refers to the management of resources at the school level rather than at a system or centralized level. Caldwell and Spinks (1992, p. 4) define a self-managing school as one for "which there has been significant and consistent decentralization to the school level of authority to make decisions related to the allocation of resources". Included as resources are knowledge, technology, power, material, people, time, and finance. They describe decentralization as administrative rather than political, since decisions at the school level are made within a framework of state or national policies and the school remains accountable to a central authority for the way in which its resources are allocated.[2]

Others, however, believe that the devolution of authority is the fundamental concept in SBM. Under this system of governance, schools, in effect, become deregulated from the central office. The basic message is one of expanded local control and influence with schools being given greater responsibility for their own affairs. The strategy of improvement is bottom-up change (Murphy, 1997). Here, SBM is primarily an alteration in organizational arrangements in school systems. Authority and influence pass from higher to lower levels of the organization. Structural changes often accompany this devolution of authority. Under this form of SBM, the need for huge central bureaucracies diminishes as local schools take more of the planning and delivery burden from them. In the light of the emerging demand for accountability for student outcomes on the part of educators and the system, SBM makes the school site the focal point of such evaluation and places the burden, to do something about meeting the educational needs of the students, at that site. Teachers, principals, and communities know their students best and can better plan the specific programmes needed by their students (Candoli, 1995, p. xi).

2. The focus of this book is on the administrative decentralization of schools. Others have focused on the political decentralization (for example, Fiske, 1996). To these, decentralization is a highly political process, which involves substantial shifts in power. Though the findings of these authors are acknowledged and utilized in assessing SBM, countries which have only used decentralization in this sense are not cited in this book.

However, SBM usually includes an internal redistribution of the authority decentralized to the local school site from the state and/or the district office. Increased influence at the local school site is shared with teachers, parents and other community members and, sometimes, students. Thus shared decision-making among key stakeholders at the local level becomes a defining characteristic of SBM (Murphy, 1997, p. 39).

SBM defined

Clearly, there is an evident complexity in the definition of SBM (and the terms used to refer to the reform, as noted earlier), which makes it necessary to distinguish between the different types of SBM. This is done in Chapter 2, through reviewing case studies of SBM reforms in several countries. An examination of two comprehensive definitions of the reforms is warranted. The first definition states:

> School-based management can be viewed conceptually as a formal alternation of governance structures, as a form of decentralization that identifies the individual school as the primary unit of improvement and relies on the redistribution of decision-making authority as the primary means through which improvements might be stimulated and sustained (Malen, Ogawa, and Kranz, 1990, p. 1).

The second definition of the SBM concept is as follows:

> . . . a way for forcing individual schools to take responsibility for what happens to the children under their jurisdiction and attending their school. The concept suggests that, when individual schools are charged with the total development of educational programmes aimed at serving the needs of the children in attendance at that particular school, the school personnel will develop more cogent programmes because they know the students and their needs (Candoli, 1995, p. xi).

Hallinger, Murphy and Hausman (1992) referred to SBM as consisting of endeavours to: decentralize the organization, management, and governance of schooling; empower those closest to students in the classroom (that is, teachers, parents and principals); create new roles and responsibilities for all the players in the system; and transform the learning-teaching process that unfolds in classrooms (p. 330). The model consists of a governance plan[3] in which authority and responsibility for the functioning of individual schools are shared between central office (Ministry, Education Department, District Office, Local Education Authority, etc.), and the school-based officials (teachers, principals, school councils, school boards, etc.), all of whom are to work as professional, collaborating colleagues. The model is distinguished

> . . . by an exciting and markedly different agenda, including: the individual school as the unit of decision-making, development of a collegial, participatory environment among both students and staff; flexible use of time; increased personalization of the school environment with a concurrent atmosphere of trust, high expectations, and sense of fairness; a curriculum that focuses on students' understanding of what they learn – knowing 'why' as well as 'how'; and an emphasis on higher-order thinking skills for all students (Michaels, 1988, p. 3).

SBM demands greater participation by staff and parents in the policy- and decision-making processes of the school. By definition, decisions are made collectively and collegially by relevant stakeholders, not individually by the principal and/or deputy principal of the school. Within the context of SBM, opportunities exist for increased professionalism for staff and for parent-staff partnerships in the education of students (Campbell-Evans, 1993, p. 93). Clearly, the concept sees that parents and teachers know their students best and that, through co-operative efforts, they can develop the appropriate programmes needed by their children. The concept suggests that certain decisions are the purview of the local site and, thus, have

3. Known as 'School Charter' in Victoria, 'School Improvement Plan' in parts of the USA, 'School Management Initiative' in Hong Kong, 'School Development Plan' in the UK.

precedence over the central office on these decisions. The development of these school-based decision-making groups and processes of school development planning are examples of moves towards greater decentralization. In simple form, SBM describes a collection of practices in which more people at the school level make decisions for the school. SBM often begins with a delegation of certain powers from the central office to the schools that may include any range of power from a few, limited areas to nearly everything.

What is decentralized?

Typically, the decisions that are decentralized are those that directly affect the student, for example, programme decisions, curriculum decisions, time-allocation decisions, and instructional decisions (Candoli, 1995, p. 1). Within the context of SBM, Caldwell and Spinks (1992), on the other hand, view decentralization, as "decisions at the school level being made within a framework of local, state or national policies and guidelines" (p. 4). Here, the school remains accountable to a central authority for the manner in which resources are allocated. To these authors, resources are defined broadly to include:

- **Knowledge:** decentralization of decisions related to curriculum, including decisions related to the goals or ends of schooling;
- **Technology:** decentralization of decisions related to the means of learning and teaching;
- **Power:** decentralization of authority to make decisions;
- **Material:** decentralization of decisions related to the use of facilities, supplies and equipment;
- **People:** decentralization of decisions related to human resources, including professional development in matters related to learning and teaching, and support of learning and teaching;
- **Time:** decentralization of decisions related to the allocation of time;

- **Finance:** decentralization of decisions related to the allocation of money (pp. 4-5).

Here, resources are broadly defined to include human and capital resources, which are transformed into learning and curriculum experiences (knowledge and technology), as well as the autonomy of using these resources. Bullock and Thomas (1997) grouped the scope of decentralization to include:

- **Admissions:** decentralization of decisions over which pupils are to be admitted to the school;

- **Assessment:** decentralization of decisions over how pupils are to be assessed;

- **Information:** decentralization of decisions over the selection of data to be published about the school's performance; and

- **Funding:** decentralization of decisions over the setting of fees for the admission of students (pp. 7-8).

Again, while some countries have gone all the way in extending the right of schools to make these decisions, others have restricted the decentralization flexibility to those decisions regarding curriculum and teaching and learning styles, rather than turning over the whole strategic planning effort to individual schools. On the other hand, while the method of delivery of programmes is usually left up to individual schools, the meeting of national strategic objectives directly influences the programme at the local site. Hence, it becomes necessary for each school to develop a school development plan[4], which is based on the strategic plan of the system. Through negotiations with the central office, the plan is agreed to and time lines are set for the implementation. This plan becomes the document against which the school is evaluated over the coming academic year(s). At times, the plan allows for appropriate participation by school boards/councils, parents, principals and school administrators, teachers, and other interested parties, even sometimes students.

4. See footnote 3.

In order to achieve better efficiency and effectiveness in resource management and allocation, which SBM represents, some countries have delegated to schools a wide range of decisions related to resource allocations (the UK and the State of Victoria, Australia, are two examples). Education systems in these countries experienced the imposition of performance and accountability concepts on schools. These new arrangements demanded expertise in a broad range of skills from the schools' governance (council), principals, and the community, which the system had to provide in one form or another through professional and specific in-service training (see Chapter 3).

Why SBM?

Education is, by nature, subject to the demands of many constituencies. Governments, both local and national, educational experts, parents, students and other members of society all have expectations of the education system with which they interact. Each group has different values and priorities and thus issues such as planning and resource allocation often become political issues, dependent on who is in power and which interest group has the strongest voice.

Many countries have moved towards a re-balancing of the power structure, a small bureaucracy, and a widespread growth of interest in transferring decision-making and resources away from centralized control towards the institutions where education is taking place. In particular, some of these countries have blurred the once-firm line dividing public and private schools through the creation of 'self-managed schools'- often described as SBM. Chapman (1988, p. 429) noted that the reform is of particular interest to those who are concerned about school effectiveness, as it sought school improvement through democratic, school-based governance, with wide-ranging community and staff involvement that necessitated a revised management role for principals.

Various views have been espoused to explain this trend towards SBM. David (1990, pp. 6-7) has articulated these as follows. For some, SBM is "a governance reform designed to shift the balance of

authority among schools, districts, and the state. This tends to be the rationale behind state efforts rather than district reforms". It is often part of a larger reform agenda that claims to trade school autonomy for accountability to the state. For others, it is "a political reform initiated to broaden the decision-making base, either within the school, the larger community, or both. But democratization of decision-making as an end in itself leaves open the question of who should be involved in which decisions". Still, there are those who view SBM "as an administrative reform to make management more efficient by decentralizing and deregulating it. Here, too, management efficiency presumably serves the ultimate goal of the organization-student learning". Yet another premise of (SBM) reform is that "the way to enhance student learning is to let educational professionals make the important professional decisions." However, the core of SBM is "the idea of participatory decision-making at the school site. And despite all the variations in rationale, its main stated objective is to enhance student achievement. Participatory decision-making and school improvement is presumed to be related, but that's not always the case".

Decentralization allows for more local community involvement in deciding schools' objectives and policies regarding the teaching and learning of their children. Many people are convinced that this increased community involvement has a beneficial effect on young people's education. To allow this increase in local decision-making to operate, there has to be devolution of funding to the schools. This will enable financial support for educational plans, ensuring that resources are allocated to meet the priorities identified in the school's needs. The amount of devolution varies from country to country, but the trend is to devolve to the school as much as possible.

At the same time, some education system planners have spent great time and effort to work out funding formulae based on learning needs of students. Details of these efforts are found in Ross and Levačić's edition 'Needs-based resource allocation in education via formula-funding of schools' (IIEP, 1999). In some cases, devolution of budgets to schools means the allocation of a lump sum rather than for predetermined categories of expenditures (e.g. a certain amount

for salaries, a certain amount for materials, and so on). This allows the local school and its governing board to determine how funds will be employed. The larger the ratio of lump-sum funds of monies restricted by categories, the greater the amount of decentralization or SBM. Furthermore, the ability to roll over unspent money is an important element in SBM. Here, schools are empowered to carry over budget surpluses from one year to the next rather than reverting funds balanced to the central authority.

This sometimes creates an ambiguity within the decentralization process. This ambiguity lies in the transfer of responsibility for resource allocation to the school but the retention of authority to assess, review, and redirect the activities at any school site. This balancing act can be seen to be difficult for principals. Resolution of these issues is achieved by a clear understanding of the limitations of the decentralization process. Since the implementation of SBM policies tends not to be based on empirical research evidence derived from longitudinal studies, and the focus remains on economic priorities, issues such as equity, social justice and equality of educational opportunities are in danger of being overlooked. The impact that financial delegation can have on issues such as equity in a self-managing school is one aspect examined later in this book.

The devolutionary trend generated by SBM can often meet initial hostility from many in the education process (reported by almost all researchers from every country reviewed). It is sometimes seen as a cost-cutting exercise or as a method for moving unpopular decisions away from the central or district or local education officers to principals and headteachers. Practice suggests that such fears do not last. Interestingly, research from countries with some years of experience in SBM indicated that principals report greater job satisfaction, greater flexibility, speed of decision-making, less bureaucracy, and more involvement of parents and school boards/councils (see results of the Cooperative Research Project in Victoria from 1994-1997).

Summary of chapter

This chapter dealt with the concept of decentralization as a governance tool to devolve more authority from the centre (ministry)

office to the local (school) level. Tied to the trend of decentralization, the chapter examined arguments for restructuring school governance, and the movement to SBM. Apart from economic and other related factors, outside the realm of schools, SBM was developed from effective school research.

Definitions of SBM confirmed that the concept refers to the management of resources at the school level rather than at a system or centralized level. Resources in the wider sense have been defined to include knowledge, technology, power, material, people, time and finance. Through SBM, schools are provided with more control over the direction that the organization will pursue. Both its goals and strategies for reaching them are primarily determined at the school level. Control over the budget is considered at the heart of SBM efforts. Closely connected to budgetary discretion is control over the defining of roles and the hiring and development of staff. At the other extreme, schools are given control over the curriculum as part of SBM. Here a school-based curriculum means that each school decides what teaching materials are to be used, as well as the specific mode of delivery. Staff determine their own professional development needs, and the structures within which the educational process is to be unfolded.

More and more countries see the value in having an education system where the local community (customers) has influence over resource inputs to schools and expected outcomes. The most decentralized systems appear to be in England and Wales (UK), in the State of Victoria, Australia, and in New Zealand, where, by tradition, principals and headteachers are used to more responsibility and freedom than in many other countries. In the next chapter, detailed accounts of developments in SBM in several countries are reviewed.

II. Understanding SBM: case studies

Introduction

Close examination of decentralization of SBM efforts around the world reveals that decentralization is multi-faceted and has been undertaken for many "stated and unstated reasons" (Fiske, 1996). However, Hallinger, Murphy and Hausman (1993) claim that the process of "reinventing public schooling" (p. 22) requires educational policy-makers and planners to:

- Decentralize the organizational structure of schools (SBM);
- Empower teachers, parents and students to reshape and direct the education system (for example, . . . an enhanced voice for teachers and parents in site-level decision-making, new roles and responsibilities for teachers); and
- Transform the teaching-learning process that unfolds in classrooms: for example, the replacement of the entrenched psychological model of teaching with a sociologically-oriented perspective of instruction, the acknowledgement of the importance of professional craft knowledge (Murphy, 1991, 1997; Elmore, 1990; Rowan, 1990; Smith and O'Day, 1990, as cited by Hallinger et al. above).

These authors confirmed that the "bulk of attention . . . has been devoted to organizational and governance issues" (p. 22). Facets of this attention towards decentralization can be glimpsed by briefly reviewing the restructuring movements in the education systems of several nations. Conclusions then can be made about the framework of SBM reform and objectives. From these studies, however, it becomes more and more clear to those concerned with educational administration and planning that the range of values inherent in educational issues reflects the society in which the school finds itself.

The society, in many ways, determines the purposes of education, what it will and will not accept in terms of change. The different settings described here, in particular, those of the USA, the UK, New Zealand, and Australian (Victorian) public schools seem in many overt ways to be tending towards very similar futures in terms of structure. It is also quite evident that the tensions inherent in each setting are somewhat unique and must be understood as such.

SBM in English-speaking countries

Canada: financial delegation

Movement towards SBM in Canada has been in the Edmonton Public School District in Alberta, where the approach, generally known as 'School-site decision-making', has resulted in the decentralization of the allocation of resources for teaching and non-teaching staff, equipment, supplies and services. While the first steps were taken in the mid-1970s, a seven-school pilot led to system-wide adoption of a comprehensive approach to self-management in 1980-81, which is now institutionalized.

A feature of this model is the absence of a school-based or site council. In 1986, a pilot programme, involving 14 schools, extended the approach to include centralized consulting services. Its significant feature, however, is the model's resource allocation formula. Schools had their lump-sum allocations supplemented by amounts which reflected the historical use of consulting services according to type of school and level of student need. Allocations were then included in school-based budgets. Standard costs for various types of service were then determined, with costs charged to the school as the service was requested. Schools were able to choose services outside those provided by the district. A teacher-effectiveness programme was also established in 1981. By 1986-87 the one half-day per week professional development programme reached most schools and an estimated 50 per cent of teachers, with funding from school-based budgets (Caldwell and Spinks, 1988).

In order to ensure accountability, monitoring processes were set up. Students in years 3, 6, 9 and 12 were regularly tested across all areas of the curriculum. 'Benchmarks' or standard levels of achievement were defined and used, subsequent to 1987, as a basis of comparison for successive cohorts of students. Each year an opinion survey was completed by students, teachers, principals, district staff and parents enabling them to rank their level of satisfaction in relation to a range of issues pertinent to their different roles. Aggregated results were released to the public such that an overview of progress in a region was possible. School-specific data and comparative analyses of the performance of schools in a region were available to the relevant schools and, by request, to parents and others (Caldwell and Spinks, 1992).

Other accumulated data included retention rates to grade 12, number of staff attending in-service and external professional development activities; number of bookings for community use; costs of repair and maintenance; costs of capital projects; expenditure on utilities (gas, electricity, water), and finally, the annual budget surplus or deficit. All of these data were relevant to the budgetary requirements of a school from year to year.

In 1994, Alberta was planning to embark on a major restructuring of the provincial system as a whole. The proposal was to legislate wide-ranging educational reforms resulting in a smaller head office for the Department of Education and a drastic reduction of the number of school districts from 140 to 60, including the devolution of authority to school level. The right of the school boards to impose an education levy was to be replaced by the allocation of all funds by the provincial government. The key features of the proposed reforms were increased involvement of parents, the community and business, with authority for decision-making in the delivery of education, including deployment of resources and determining how the results were to be achieved. The introduction of *charter schools* with more flexibility and autonomy of operation for achieving better results was also envisaged under the new legislation (Alberta, 1994; as cited by Gamage, 1996).

Hong Kong: school management initiative

In Hong Kong, the school system consists of three distinct sectors: government schools, aided schools, and private schools. The largest is the aided schools sector. It provides 80 per cent of the places while the government and private schools provide only 7 and 13 per cent respectively. Early educational reforms concentrated on expanding the system, and on improving the teaching and learning facilities. In 1991, a report by the Department of Education on 'The school management initiative' (SMI), noted the following problems in education: (a) inadequate management structures and processes; (b) poorly defined roles and responsibilities; (c) an absence or inadequacy of performance measures; (d) an emphasis on detailed controls, rather than frameworks of responsibility and accountability; and (e) an emphasis on cost control at the margins, rather than cost-effectiveness and value of money (Department of Education, 1991, p. 9). The Report proposed the SMI scheme, the main principles of which were:

- a continual review of the existing base of public expenditure;
- a systematic evaluation of results;
- a better definition of responsibilities;
- a closer match between resource responsibilities and management responsibilities;
- appropriate organization and management frameworks; and
- clearly defined relationships between policy-makers and their executive agents.

The SMI defined the roles of those responsible for administering schools, particularly sponsors, managers and principals. It provided for greater participation by teachers, parents and former students in school decision-making and management; encouraged more systematic planning and evaluation of school activities; and gave schools more flexibility in the use of their resources (Gamage, 1996, p. 54). It emphasized joint management as the basic principle of school administration and encouraged the participation of teachers, parents, and students in school administration. The framework consisted of five groups of policies: new roles and relationships for the Department

of Education; new roles for school management committees (SMCs), sponsors, supervisors and principals; greater flexibility in school finance; participation in decision-making; and a framework for accountability.

A number of aided schools (21) joined the first phase of the SMI scheme, which commenced in September 1991. By 1997, all government schools and a small number of aided schools had joined the scheme (Caldwell, 1998b, p. 12). The government's adoption of an implementation strategy relying on voluntary opting in by schools revealed its preference to increase membership by persuasion rather than by legislative coercion.

The accountability framework addressed two areas: the individual level, and the whole school level. For the first, a reporting or appraisal system was recommended and schools were urged to consult their SMCs and to look at the Department of Education's own appraisal form as a possible start. Interestingly, there were no requirements on schools to have any formal procedures for evaluating the performance of staff. As for the second part, the whole school accountability, each school was required to produce an annual school plan setting out its goals and activities for the coming year, against which it could be held accountable. Such a plan would allow the school to assign priorities, allocate its budget, and provide the community with information about its direction. Schools were also required to prepare an annual school profile covering activities in the previous year. The profiles were to map performance on a number of indicators, such as student achievement in core areas, non-academic activities, and staff profiles, giving details of turnover, qualifications and competence, and parental occupation and housing type, respectively.

The United Kingdom: grant-maintained schools and local management

Reforms to the education system in England and Wales had been steady and incremental since the 1944 Education Act. In 1977, following the Taylor Committee's inquiry into the way schools were governed, the make-up and charter of the Boards of Governors and the Boards of Managers were altered. The 1980 Education Act

revised their powers and responsibilities. The Act created a centrally controlled national curriculum, levels of attainment, a process of assessment, and inspection and reporting of results. Within this national framework, the delivery of the curriculum, the management of human, financial, and material resources and accountability to parents and the community were devolved to school governing bodies. A new feature was the attempt to encourage competition between schools to cater to market demands. This included competing for student places.

Margaret Thatcher's Conservative government brought a strong right wing, a free market and an economically driven ideology to education. In order to undermine opposing political power groups, Thatcher did away with local bodies such as the Greater London Council and the Inner London Education Authority, and made it possible for local schools to operate independently within the national framework. These and other reforms, for example, the training of school heads in management, culminated in the Education Reform Act of 1988.

The 1988 Act has changed in "fundamental ways the values underpinning the system as well as the practices pervading" (O'Donoghue and Dimmock, 1998, p. 25). Six major structural changes were adopted by the Act to facilitate SBM:

a) a national curriculum in core subjects was imposed by Whitehall;
b) national testing was imposed for students at ages 7, 11, 14 and 16;
c) grant-maintained schools were created that could opt out of their local education authorities in order to receive full financial support directly from Whitehall;
d) city technical colleges were created (like the American vocational education high schools);
e) the Inner London Education Authority was dissolved into 13 local educational authorities; and,
f) a local school management scheme was created, which involved:
    - open enrolment in every school within the local education authority;

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- formula-driven resource allocations to each school;
- setting priorities at each school site for spending its allocation;
- empowering a board of governors at each school to hire and fire staff and teachers; and
- provision of information to parents on the school's performance (Wirt, 1991).

These policies included details on such items as teacher appraisal, pupil assessment, and religious education, charging for school activities and competitive tendering for services. For the first time, the national curriculum laid down in considerable detail the content of the curriculum and the assessment of students at ages 7, 11, 14, and 16.

In 1993, the Education Act enacted a framework for schools, making it easy for a school to become self-governing or grant-maintained with provision for effective use of resources. The provision made for grant-maintained schools (GMS) allowed schools to 'opt out' of control of the Local Education Authorities (LEAs) and become 'grant maintained', thereby receiving their revenue and capital budgets from a funding agency whose members were appointed by the Secretary of State. Parents or governors may initiate a vote among the parents' body, whereby the school leaves LEA control and receives its funding as a direct grant from central government. The funding matches that provided by the LEA, with an addition covering the services retained and funded by the LEA. Even if the school is granted GM status, it remains technically a government school. At that time (1993), GM schools received 100 per cent of their site budget. As from 1994, GM school funding was provided through a new entity called the Funding Agency for Schools (FAS), which essentially created a state-to-site funding system. The level of funding was still linked to the LEA in which it was located. For Odden and Busch (1998) this has created several equity issues regarding differences in school funding when number and characteristics of students are similar. These are also due to the differences in per-student spending across LEAs.

Local school management (LSM) is basically an SBM policy, which limits the powers of the LEAs and devolves funding and

resource management to governing bodies and school staff. Under LSM, schools were mainly funded on the basis of the number of pupils they enrolled. A falling birth rate has led to a decline in the school population, which has meant a surplus of places in many schools. Open enrolment was allowed, which removed boundary limits on student enrolment and enabled parents to choose the school they wished their children to attend, subject only to its physical capacity. Since school budgets were linked closely to student numbers, schools were encouraged to compete for students in order to sustain or increase their income. The government believed that pressures of funding under LSM would eventually make schools competitive and, thus, improve the quality of education.

All six of the reforms outlined above were legislated and each was instituted to some extent, so that the configuration of the school system was dramatically changed. However, it remains to be seen whether the ideological goals which drove these reforms, namely, improved student achievement and increased economic productivity, have been realized. The devolution of authority and responsibility of schools was one of the main strategies for implementing educational policy. This devolution meant more autonomy and flexibility in decision-making, which was followed by increasing accountability to the parents, employers, and the wider community. The mechanisms for holding schools accountable included inspections, publication of student records and achievements, student report cards, and annual reports. Schools which fail to reach the acceptable standards are deemed by the Office for Standards in Education to be 'at risk'. These schools are expected to come under the stewardship of a small group of experts whose job it is to improve educational standards and, if satisfactory results are unobtainable, ultimately close the school.

New Zealand: financial delegation and localized management

In October 1987, a task force was called by the Prime Minister (David Lange) to review the administration of education. The theme was 'administering for excellence'. An analysis of the situation found a number of serious weaknesses, namely, over-centralization of

decision-making, complexity, lack of information and choice, lack of effective management practices, and, feelings of powerlessness (Rae, 1997, p. 121). The report of the task force, known as the Picot Report, stated that very few decisions were made at local level and, when they were centrally determined, rules and procedures heavily influenced them. Other features observed were that decision-making tended to be slow, and that the system was particularly vulnerable to the influence of pressure-group politics.

The Picot Report recommended that 95 per cent of the educational budget be placed directly in the hands of schools. This resulted in a reconstruction of the national school system featuring intensely localized management and control of schools. The aim was to eliminate 'excessive ministerial involvement', 'sectoral fragmentation' and the 'lack of priorities at the centre'. Staff were selected and employed by school boards at site levels. Although there was a national curriculum framework, the number of staff employed at the system (national) level was small, serving mainly to monitor (or audit) operations at the school level and to provide support to schools, especially in the area of special education services (Beare, 1991, p. 18).

The local management reforms proposed in the Picot Report included major changes in the central administration. A book, *Tomorrow's Schools*, was published to set out the government's policies. The reforms took place in October 1989 for the school year 1990. All secondary and primary schools entered the scheme immediately, under formula funding. Regional offices closed in October 1989. Officers from offices were encouraged to set up independent Education Support Units. Any additional funds thus created were given to the schools. All schools, secondary and primary, were placed in a similar position to those of the grant-maintained schools in England and Wales.

Several working parties were formed to investigate issues such as premises, property maintenance, personnel and community education. Each working party submitted its report to an evaluation group considered to be highly successful. The funding working party

had to produce two formulae – one for teaching salaries and one for operational activities. The formulae had to be sensitive to the varying needs of different institutions in different areas. The issue of equity was central to the deliberations of the funding working party. Allowances had to be made for the Maoris, for ethnic minorities, for socio-economic needs and for small schools. Also, rural schools beyond a 100 kilometre radius of a town with a population greater than 30,000 were given additional funds.

Each school came under the overall policy control of a board of trustees – a group similar to the UK governing bodies. Secondary schools previously had governing bodies, but this was a new experience for primary schools. Each board of trustees consisted of five elected parents, the principal, one member elected by the staff, one member elected by the students (secondary school) and up to four co-opted members. The board's first duty was to prepare the school's charter, in collaboration with the principal, the staff and the community, the emphasis being on the school's aims and objectives, and policies, within the overall national guidelines for education (Hill et al., 1990). Under this arrangement, schools' charters are approved by the Minister of Education on recommendations of the ministry. It then becomes a contract between the state and the school, and between the school and its community. This charter is used in the monitoring of schools. Training of principals and boards of trustees was carried out extensively (very similar to the arrangements made in Victorian schools).

Initially, there was much opposition from schools to the changes but, as an understanding of the scheme became more widespread and training developed, much of the opposition began to evaporate (Wylie, 1984, 1996). Most inspectors, advisers and officers faced a major change of role. Many have left, as noted above, possibly to join the new independent Education Support Units or the Review and Audit Inspectorate (Fergusson, 1998).

The United States of America: choice and local decision-making

The approach to SBM in the USA has been more piecemeal and localized. This is due to the fact that the USA has three levels of government – national, state and local – with responsibility for public education being vested in the states, and the responsibility for the delivery of educational services being placed with local government in all states except Hawaii. School districts are considered autonomous political subdivisions under each state's law. They have the power to raise money by taxes for operating schools, to pass bond issues (that is, loans) for the construction of school buildings and to make laws and regulations to guide the schools' directions. Each district has an elected local school board that has a great deal of power over the curricula taught and in the appointment of teachers.

In 1966 the Coleman Report highlighted social injustice issues, and produced a strong body of opinion that scholastic progress depended mainly on the home background of the child rather than on programmes adopted by schools. This dominated the educational thrust of the 1970s. In the 1980s, a counter movement for 'effective schools' which sponsored the achievement of academic excellence, gave the school curriculum first priority, and increased funds were allocated to realize this objective. However, in 1983, the federally sponsored report entitled 'A Nation at Risk' identified that test scores used to indicate performance levels in reading and arithmetic had been decreasing for two decades, despite the injection of funding, improvements in teacher qualifications and equipment, and a decrease in class sizes over this period.

In 1990, the states (in contrast to federal or local authorities) assumed the major responsibility for education funding. Schools were freed from many of the centrally imposed regulations, which constricted their ability to provide the kind of educational service that their client populations were demanding. Local empowerment was authorized by 14 states. According to Ogawa and White (1994), one-third of all school districts had some version of SBM between 1986 and 1990. Since 1990 it has been authorized in at least five more

states. During the same period, more than 20 states have passed legislation to create *charter schools* – individual schools that are *de facto* SBM, even though they do not carry that title (see, for example, Gamage, 1996; David, 1989; 1990; Wohlstetter and Smyer, 1994; Wohlstetter and McCurdy, 1991; and Malen, Ogawa and Kranz, 1990, for fuller analysis). These reforms were of two kinds:

- The first is 'administrative decentralization', in which the central office of an LEA designates certain tasks that are carried out by school-site teachers and principals. Here, the central office delegates authority downward on a limited basis, but the local schools are still accountable upward.

- The second is 'site-based management', a structure that empowers parents, teachers, and principals in each school building to set their own priorities, to allocate their budget accordingly, to shape their curriculum, and to hire and fire personnel. Here, decision-making authority is local while responsibility is directed not upward but out to the community the school served (Wirt, 1991, p. 31).

The stimuli for these reforms were the growing dissatisfaction with school productivity and the concern of business and industrial leaders about the declining quality of the skills of American workers in an increasingly competitive world market. In addition, the environment of economic recession promoted the call for change. While dissatisfaction with educational results had promoted these reforms, there has also been a clear ideological assertion that the role of the school is closely linked to the nation's economic productivity.

In their major study entitled 'Politics, markets and American schools', Chubb and Moe (1990) completed a large-scale data analysis which indicated that better achievement standards were recorded by schools with tight and local control. This caused choice proponents to urge that the market be used as a means to improve educational productivity. Several different choice proposals were advocated (reviewed in Witte, 1990; critically evaluated in Clune and Witte, 1990). These included:

- a 'voucher' system, where students were to be given funds to attend the school chosen by their parents;
- 'Magnet' schools focusing on a particular discipline (for example, science);
- free selection of schools from within a local education authority; and
- freedom to select a school outside the local education authority.

Several authors reviewed the reforms in the USA. They noted that each state adopted different strategies in improving its system. David (1990, p. 9) noted that SBM may be instituted by state law or by administrative action, by a district, or by a school. It may be linked to an accountability system with consequences tied to student performance, or it may not be. Most variants of SBM involve some sort of representative decision-making council at the school, which may share authority with the principal or be merely advisory. Some councils have the power to hire principals, some hire and fire, some do neither. Some can hire other personnel when there are vacancies. Some councils specify that the principal be the chair, others specify that the principal not be the chair.

David (1990, p. 9) summarized the main features of SBM reform in the USA as follows: Kentucky requires virtually every school to have a school-based council with three teachers, two parents, and the principal, and endows council with considerable fiscal and policy authority. Maryland and Texas require schools to have school-based decision-making teams, but in contrast to Kentucky, do not specify their composition or legally transfer authority from the district to the school. In Chicago, state law places significant authority in the hands of the local school council, which is made up of: six parents, two community representatives, two teachers, and the principal. In Cincinnati, reorganization and downsizing of the central office has shifted considerable responsibility, but no additional legal authority, to school principals. Colorado requires a business representative on each school council. Memphis's site-based management never got beyond the pilot phase, while in Florida, the pilot was expanded but on a small scale.

Minnesota pioneered another kind of reform: parent choice among public schools. This is the controversial open-enrolment plan, whereby students can attend public schools other than in their local school district in which they reside. While Michigan eliminated the local property tax as the primary source of financial support of schools and placed almost total responsibility for financing schools with the state (Kirst, 1988 p. 59).

Gamage (1996) among others noted that "the strength of the USA's decentralized system comes from the schooling process being decided at a very local level. The superintendent of the school board and the principals of the local schools form the key management team. This management team has real educational responsibilities for deciding what is to be taught, how it is to be taught and who is going to teach it. They must meet with parents when problems arise, and defend their actions in public meetings with school board and community members present".

The Education Improvement Act enacted by *South Carolina* in 1984, had seven main components that affected the operation of schools. They were: (1) raising student performance by improving academic standards; (2) strengthening of teaching and testing of basic skills; (3) elevating the teaching profession by strengthening the training, evaluation and compensation of teachers; (4) improving the leadership, management, and fiscal efficiency of schools at all levels; (5) implementing strict quality controls and rewarding productivity; (6) creating more effective partnerships among schools, parents, communities, and business people; and (7) providing school buildings conducive to student learning (Ginsberg and Barry, 1990, p. 550; as quoted by Gamage, 1996). Thus, devolution of authority to school level and community participation in educational decision-making towards the creation of more effective schools became the main aim of the reform.

The State of Illinois enacted its School Reform Act in 1985 providing for the mandatory Local School Improvement Councils (LSICs). Accordingly, LSICs were appointed by the principals and were empowered to advise the principal in planning school

improvements and reviewing school spending priorities. The School Reform Act 1988, mandated that public schools be managed by Local School Councils (LSCs). These councils were to consist of six parents, two community residents, two teachers, and the principal. In the case of secondary schools a student representative was included with no voting rights. The devolution package included: the evaluation of the principal's performance and renewal of his/her contract if deemed necessary; approval of the school budget in consultation with the Professional Persons Advisory Committee (PPAC); approval of the school improvement plan (SIP) prepared by the principal in consultation with the relevant stakeholders; and monitoring the implementation of SIP and the budget by the principal.

Hanson finds that the decision-making authority devolved to the LSCs is significant, particularly because each council has the authority to hire and fire the principal on the basis of a four-year performance contract. The parents rather than the professionals were entrusted with a controlling power. The system provides training for all LSC members in evaluating school budgets, personnel selection processes and practices to enable them to perform their new role more effectively (Hanson, 1990, pp. 528-529).

The *Los Angeles* model of SBM was designed as a two-stage incremental process. Shared decision-making commenced in 1989, while full SBM came only after experience and planning reached the required level in the first stage. LSCs had the main objective of improving the functioning of the school. Council membership was to vary from 6 to 16, depending on the size of a given school. One half of the membership was to consist of the principal, parents, community members, a non-teaching staff member, and, in the case of secondary schools, a student. The other half consisted of the president of the local chapter of the teachers' union and teachers elected by the school faculty. The principal and the local union president were to co-chair the council meetings. The areas of policy formulation devolved were: staff development and training, staff discipline codes, scheduling school activities, use of school equipment, control over specific budget items such as instructional material, lottery funds, state textbooks, and school incentive funds. LSCs' efforts concentrate on establishing local policy

and planning directions rather than their implementation and day-to-day school management. Nevertheless, LSCs were not given the authority to hire and fire the principal and teachers.

To enter the second stage of SBM, LSCs have to obtain the approval of the central council, which consists of 24 members, including seven parents or community members, five appointed by the superintendent and 12 by the teachers' union. The central council maintains the balance of power. It is empowered to evaluate and approve the SBM plans and proposal submitted to it by a LSC. In addition, it is responsible for the training of LSC members for their roles, distribution of information and studying and recommending more effective operational methods. If approved by the central council, an LSC could have a high degree of latitude in setting its own directions on administrative and academic issues. Such a council could also elect to change its composition and authority (Hanson, 1990, pp. 529-531).

The *Dade Country's (Florida)* school-based 'Management/ shared decision-making programme' has provided more than 100 Miami-area schools with the authority to reinvent their instructional programmes. Under this programme, school-based teams of teachers and school administrators maintain control over budgets, staff allocations, and the organization of the school day. This shared-governance approach resulted in a variety of programmes designed to meet the needs of schools' particular students. The district and the local teachers' union have agreed to waive board policies, administrative regulations, and union contract provisions, which impede implementation of school-determined programmes (Kirst, 1988, p. 59). As a matter of fact, the initial policy emerged from the work of a task force co-chaired by the superintendent of schools and the head of the local teachers' union to consider ways of improving the system. The broad goals of the reforms were to provide for improved educational programmes for the students, increased flexibility and teacher responsibility for planning, hiring and budget development, along with community participation in school affairs.

The Dade County school model did not attempt to transfer or delegate genuine authority to the local leadership councils. Even though the administrators approved almost all recommendations, they reserved the right to withhold approval. Thus, the Dade County model was an effort towards de-concentration of decision-making and participation rather than a genuine attempt to transfer or delegate authority. Councils function in an advisory capacity only (Hanson, 1990, pp. 526-527).

The United States of America: charter schools

As noted above, although there are many reform movements in process today in the USA, one of the most rapid developments in recent years is that of the 'charter schools'. The charter was a clear written agreement between a group of teachers and the school district to reorganize some part of the instructional programme. Examples included reorganized kindergartens, new elective programmes and integrated teaching projects. The charter model though is not entirely new in concept. Hill et al. (1990) point out that this is not a complete alternative to the current system "because the core is left intact – the commitment to governing public schools via politically negotiated rules remains". The purpose was to see the continuing development of teaching methods responsive to students and their needs; thus, the need for a process of constant renewal in the charter.

The charter was firstly seen as a grass-roots process initiated by teachers and parents based on their ideas and experience. Parents could and usually would be involved and funds would be requested from the district with appropriate accountability. Secondly, the structure of the charter led to clear goals and associated accountability and supervision. Thirdly, the continuing process of charter renewal was designed to encourage innovation and experimentation so as to continue to develop forms of excellent teaching. The core of the charter schools was made up of the following elements: educational choice for students, parents and teachers; charter schools subscribe to and embody the democratic process of the common school; decentralization; a balance of autonomy and accountability via the charter; and a more market-driven system (Mulholland, 1993).

Australia: local budgeting and community involvement

As a nation, Australia is divided into six states and two territories. In education, each acts with a high degree of independence. Until the early 1970s most Australian states and territories continued to be centralized bureaucratic models. SBM reforms, however, spanned over three decades of the Commonwealth's policy towards more effectiveness, equality and equity in the school system. The initial policy document was a Commonwealth's Report tabled by the Interim Committee for the Australian Schools Commission entitled: 'Schools in Australia' in 1973. The Karmel Report, in reference to the Committee's Chair, placed the issues of equality, devolution, and community involvement in the national educational debate in Australia. The Karmel Report (1973) was one of the most influential documents in school education in Australia, for it emphasized that "less rather than more centralized control over the operation of schools was necessary to ensure effectiveness and equity in school education. To achieve this, it recommended that resources be targeted at particular educational needs, with parents and teachers involved in decisions on the use of these resources" (Caldwell, 1993b, p. 3). It seemed that those closest to the school would be more likely to formulate and implement policies more efficiently and effectively than a distant central authority. Thereafter, the report introduced and supported schemes which provided funding for school staff, often with the assistance of community representatives, to identify school-level priorities and to devise programmes which more adequately met school needs. These changes enabled Australia to become a 'world leader' in SBM (Gamage, 1996, p. 27).

Over the last two decades, the Australian states and territories have undergone various kinds of restructuring to alter the locus of control of the centre of power. Decisions making over the allocation of resources used by schools have increasingly been transferred to the school level and school-based personnel are generally held more accountable for their performance and for the student outcomes achieved. However, there has been an underlying concern for quality. The decentralization thrust maintains that improvements in student achievement are most likely to be gained in schools which are relatively

autonomous, have the capacity to resolve their own problems and have strong leadership. In addition, the elements of a national curriculum framework are beginning to emerge, coinciding with a national initiative to restructure the teaching profession. The developments in educational management which have occurred throughout Australia include:

- A decentralization of decision-making relating to the curriculum and the use of resources both to the school and the community.

- The development by central authorities and government of broad policies, priorities and frameworks for accountability. These are intended as guidelines, within which, it is planned, school-based decision-making may occur.

- An acceptance that these developments will occur gradually over a period of several years.

- The encouragement of schools to approach management from a more systematic and improvement-orientated point of view, with ample provisions for participatory decision-making and both long- and short-term planning.

- The inclusion of programme evaluation and whole-school evaluation in the normal management processes of the school, including the provision for the development of quality indicators.

- The accountability of schools to their communities and to their central authorities for the achievement of agreed educational objectives and learning priorities.

- The development of global school grants to replace existing piecemeal approaches for the dispersal of resources to schools. Equity is seen as the central issue in designing dispersal formulae (Hill et al., 1990, p. 13).

Although these key features are evident in all education systems, they certainly differ in degree. Encouraging schools to plan in more systematic ways is a feature shared strongly by all states. Both long-

and short-term plans are also a feature. The language used varies from state to state, with Tasmania favouring strategic school plans, while South Australia talks of school-development plans and school-action plans. The political desire to devolve responsibilities to the school level is perhaps strongest in the Northern Territory and Victoria. Here, schools have a high degree of control over resources, including the hiring of staff. The development of formulae for resource dispersal is less well advanced in other states, possibly due to the continuing tension in the centralization-decentralization debate (Hill et al., 1990, p. 13).

While the trend to a decentralized system of school governance occurred most markedly in Victoria, other states and territories were adopting similar patterns with a clear shift towards SBM in terms of operational decision-making, including budgeting and community involvement. In Victoria the implementation of the 'Schools of the Future' programme is in its sixth year of a seven-year cycle. The programme focuses on the concept that quality outcomes of schooling can only be assured when decision-making takes place at the local level. In 1993, the then Minister for Education called upon a central, powerful authority, the Directorate of School Education (DSE), to focus upon the identification of broad goals and the establishment of frameworks for accountability, which developed processes to change the nature and operation of school education in Victoria. Following the publication of the 'Schools of the Future Preliminary Paper' in 1993, a pilot programme commenced in 1994. Today, all but two schools in Victoria are self-managed. The development and implementation of the reforms were based on extensive community consultation, including school principals and academics from universities. The significant changes and processes that were put in place to achieve a comprehensive SBM system warrant attention. These are discussed in the next chapter of this book.

Other examples of movements to decentralization

The Netherlands experience

School education in the Netherlands is divided into two sections: public and private schools. Both are financed from public funds,

according to the same standards. Teachers' salaries depend on the post held and on the teacher's performance. The state decides the minimum size of the staff establishment for each type of school and for the types of post available. All school education up to age 16 is free.

In 1981, experiments began to allow both the management and heads of some primary schools to have greater control over their budgets. These schools soon began to create extra resources, which enabled them to appoint teachers for additional hours and to purchase more books and equipment. The popularity of this with parents led other schools to demand this autonomy. In 1985, all primary schools were granted this flexibility. The movement for decentralization spread to the secondary sector (Hill et al., 1990).

A new Primary Education Act came into force in 1985, making it obligatory for schools to draw up work plans and activity plans. These plans were to contain a description of the teaching and learning process. They were to be submitted for approval to the inspectorate. The plans were to take into consideration a state policy to create the conditions to enable schools and welfare institutions to correct for any educational disadvantages among children. With new central-policy measures, in-service training courses were provided for teachers. These concentrated on the innovation programmes, on the new policies and on the plans to reduce the number of children referred to special schools.

The Belgian experience

In Belgium in December 1984, a royal decree defined the scope of autonomous management in Belgium's state schools. It required school managers and school heads to deal with the operational funding of their establishments. This autonomous management is very minor, however, when compared to the schemes introduced in Victoria or in the UK. By tradition, Belgian schools have little autonomy over the curriculum or the appointment of teachers. Both are centralized, with school inspectors having a major role. The principal is solely an administrator. The scheme has decentralized much of the administration but has created more work for the principals and school

finance officers. It has delegated much building and materials management to principals, who are not expected to manage the curriculum in the wider sense. Curriculum management has remained under central control.

Basically, Belgian schools' autonomy is financial rather than educational and it covers capitation, equipment and requisition operations (Hill et al., 1990; Gamage, 1996). For capitation, schools are expected to make an income forecast for the forthcoming year. This forecast covers office supplies, teaching materials and books, energy consumption, school travel and meetings, lunchtime supervision and recruitment of contractual working personnel. A government officer may then reduce the school's income forecast. At the end of the year, any balance of current operations is carried forward at the rate of at least 20 per cent to form an operating reserve fund. The other 80 per cent is added to the following year's capital operations. Equipment covers purchase of machines, furniture, equipment and ground transport. At the end of the year, the balance of this budget can only be added to the capital account for the following budget year. Requisition operations relate to income and expenditure against third party and treasury funds. Examples are personal expenditure of staff/boarders, registration rights and fees paid by boarders.

Every six months, a statement of income and expenditure must be drawn up and submitted to the authority. At the end of each year, a management account, a budget performance account and a statement of the debit/credit position must be submitted. All paperwork has to be kept at the school.

The Spanish experience

In the 1978 constitution, there were provisions made to democratize school administration along with other areas of public administration through regionalization, decentralization and devolution. By 1985, an SBM model was operational. The key element of the decentralized SBM model was the formation of a local school council in each school. Each council consists of: (1) the director of the school who becomes the chairperson; (2) the chief academic programmers; (3) a representative of city government; (4) not less than one-third of

the council elected by the teachers in the school; (5) not less than one-third elected by the parents and students with no voting rights to lower-grade primary students; and (6) the school secretary who functions as the council secretary, enjoying the right to speak but not to vote. The director of the school is elected from amongst the teachers in the school for a term of three years with the possibility of another three-years term (Gamage, 1996).

A local school council (LSC) is expected to work within the central guidelines issued by the Ministry of Education and Science. Each LSC is authorized to define the general educational principles and objectives of the school's activities, approve the administrative team proposed by the director; approve the budget, evaluate the annual academic programme, resolve disciplinary problems affecting the students, decide on rules for school management, and monitor whether relevant admission rules are observed. The LSC is also authorized to remove the director of the school by a two-thirds majority if and when a necessity arises.

The Hungarian experience

The political transformation in most East- and Middle-European countries was accompanied by changes in the governance of education by relaxing central control and enlarging school-level autonomy. This was achieved by abandoning state monopoly over education, authorizing alternative curricula, enlarging the room for optional activities, and reducing the power of educational bureaucracies. In certain countries, teachers were given the right to elect new principals. Elected school-level bodies were set up with representatives of parents and other social partners. The market has been given a greater role in the allocation of resources (Hala'sz, 1992; Bolam and van Wieringen, 1993).

In Hungary, the first major steps towards decentralization were made at the beginning of the eighties. After a decade of considering large-scale structural reforms, a new Education Act was adopted in 1985. The Act authorized the schools "to define their own educational tasks", "to elaborate their own local educational systems" and "to devise supplementary curricula" (Hala'sz, 1992). Every school was

given the task of preparing its own internal statute and pedagogical programme. Local and regional educational authorities lost their right to interfere in purely professional matters: the only jurisdiction left with them concerning the internal life of schools was to examine whether the statute of the school, the school-level pedagogical programme, and the decisions taken by the staff were or were not contradicting the law (Hala'sz, 1992).

The Act defined the teaching staff as "the most important consultative and decision-making body of the school". Teachers were given considerable power to influence the selection of their directors: they could refuse the appointment of a new director by secret vote. This provision, after having been in force between 1986 and 1991, was abolished by the constitutional court.

In general, teaching staffs were given the right to decide on all issues related to the organization and work of the school as long as there was no conflict with other regulations. School inspection was also transformed. The earlier system of inspection, directly subordinated to the regional and local authorities, was suppressed. Regional advisory centres were set up and schools in need of professional advice transferred the former inspectors to these centres as professional advisers who could be invited. A new model oriented towards global evaluation of particular schools and assessment of learning achievements gradually replaced the old paternalistic supervisory model, based on visiting individual teachers. To counterbalance the power of teachers, school-level consultative and advisory bodies (school councils) were set up with members representing the social environment of the institution.

As to the content of teaching, the 1985 Act did not affect the official central curriculum but opted for locally initiated changes. Schools were authorized to choose between alternative curricula, elaborate supplementary programmes and to start pedagogical experimentation. Although major local curriculum changes had to be approved by the Ministry of Education during the second half of the eighties, this approval was given in most cases. As a result, the number of local curricula changes has rapidly increased. This was particularly

hastened by the creation of a central innovation fund in 1988, which gave an opportunity to innovative schools to obtain supplementary financial support.

However, no real efforts were made to set up new evaluation mechanisms in order to monitor the liberalized system. No attempts were made to start appropriate management programmes to prepare the principals of the autonomous schools for their new role. And neither have serious measures been taken to create a textbook and programme market that would have given schools a real possibility of choosing between alternative programmes. According to Hala'sz, "it is thus not surprising that what many people call positively as the policy of decentralization and school autonomy, is seen by others, negatively, as a simple decline of control. While a growing number of schools have benefited from the greater freedom, the majority of them have simply had the feeling that the state did not assume its responsibility and left them alone with their difficulties".

Summary of chapter

The review in this chapter showed that SBM has been advocated by many bodies, governmental and non-governmental, who wanted greater local control of schools with the aim of increasing the efficiency and effectiveness of school education. The chapter provided a detailed account of a range of reforms from various factions. Of note is the Canadian experience, which concentrated on financial delegation of resources to schools through school-based budgets and formula funding. Hong Kong's School Management Initiative (SMI) gave schools more flexibility in the use of their resources, whilst at the same time allowing greater participation by teachers, parents and former students in decision-making. The move to SBM in the UK consisted of several reforms: a national curriculum, a performance-based testing system linked to the national curriculum, student choice of school, and local school management (LSM) that decentralized the bulk of the budget to school sites and provided schools with the authority to recruit and select staff. The GMS and LSM systems gave more autonomy and flexibility in decision-making to the local community, leading to more accountability to the parents, employers

and the wider community. A similar system was also introduced in New Zealand. In the USA, each state adopted different strategies in improving its system. For example, SBM was in some states linked to an accountability system tied to student performance, but not in others. In some non-English-speaking countries, the experiences varied from local control and management delegation to financial delegation and autonomy.

To some extent, this review showed that policies relating to the improvement of school effectiveness have been based upon rationalized budget allocations and accountability. The trend has been to address the management of the school system, placing an increased emphasis on the responsibility of the centre to determine objectives and monitor achievement, whilst at the same time providing for more implementation and resource-management decision-making at the level of the individual school site.

This review claimed that one of the most radical system-wide applications of SBM occurred in the State of Victoria, Australia. Chapter 3 describes this reform, detailing its historical development, the main players in policy design, implementation design, evaluation process, and the process of implementation itself.

III. Victoria's 'Schools of the Future'

Introduction

School-based management (SBM) evolved in the State of Victoria, Australia, to become the 'Schools of the Future' (SOF, hereafter). This chapter details the development of SOF and provides a historical and political framework for the case study. The chapter highlights relevant issues related to school administration, curriculum delivery, resource allocation, personnel management, financial management, assessment and examination, and school planning and development. The process of restructuring was lengthy and contentious. It endured constant social and economic fluctuations, changing community attitudes towards decision-making in education, and was subjected to political changes and the various influences from interest groups. This reform was chosen because of its significance to educational planners and administrators. The aim of the chapter is to assist planners and decision-makers to realize the 'actual' roles played by the various actors in the reform, and the process of its implementation. Lessons may be drawn from this experience to develop a framework for the implementation of a successful and smooth SBM. These are summarized at the end of the chapter.

Context

Victoria is a state with a population of approximately 4.5 million people. The school education system consists of primary schools from preparatory grade to grade 6 (ages 5 to 12) and secondary schools from grade 7 to 12 (ages 12 to 18). Most students (approximately three-quarters) complete 13 years of schooling and attain a year 12 certificate called the Victorian Certificate of Education (VCE). In 1996/1997, there were 1,700 government schools providing education for five- to eighteen-year-olds. The majority of these were primary

schools. Another 673 schools were in the non-government sector. Total enrolments were 777,368 students, of whom 517,882 students were in government schools, while the total number of government school teachers reached 18,159 in the primary and 16,902 in the secondary level (DOE Annual Report, 1996-1997; p. 24).

Australia is a nation of immigrants, hence the students in 25 per cent of all Victoria's government schools are from non-English-speaking backgrounds, with a small proportion from an Aboriginal background.

School education is supervised by the 'Office of Schools', which is divided into nine regions for administrative purposes. The Office of Schools is within the Department of Education[5] and it operates the government school system. The Office is supported by several administrative units including the Office of School Review in charge of the accountability framework, and the Board of Studies in charge of the curriculum framework. The Office of Schools reports to the Secretary of Education (the public service head) who reports to the Minister of Education. The latter has ultimate responsibility for the school education portfolio.

Historical development

As noted in the previous chapter, Australia began decentralizing power and authority to schools nearly 30 years ago. In the 1960s, the education system was highly centralized; the states made all key decisions on curriculum, budget, and personnel. After the Karmel Report, the State of Victoria became "Australia's flagship for many of the moves towards a fully decentralized system of education" (Townsend, 1997, p. 199). The first step was proposed by the 1975 School Councils Amendment to the 1958 Education Act. Here, local governance of schools or school councils accepted some of the responsibilities for managing the finances and facilities of the school and advised the principal on issues of school policy. Later moves, in

5. At the inception of the Schools of the Future, the current Department of Education was referred to as the Directorate of School Education (DSE). Both DSE and DOE are used interchangeably in this chapter.

the 1980s, gave school councils the responsibility for determining school policy and selection of the school principal (Townsend, 1997, pp. 199-200).

Creed (1991) provided a comprehensive discussion of the policy and programme directions of Victorian governments during the eighties. He noted that there were obvious similarities as well as contrasts between the principles underlying the policies of the two political parties, the Liberal and Labour governments, who took part in governing the state over the period 1980-1992 (Creed, 1991; Odden and Busch, 1998). The stance of the Liberal government, as documented in the White Paper (1980), represented a commitment to the:

- devolution and decentralization of power and responsibility where appropriate to local and regional units;
- increased participation by parents, community members, teachers and principals in education governance at all levels;
- improved consultation;
- economy and efficiency in management;
- effective co-ordination of functions and policies; and
- appropriate mechanisms for internal and external reviews of schools (Creed, 1991, p. 235).

In 1985, a series of Ministerial Papers was issued under the Labour government outlining strategies in the areas of: school improvement, the State Board of Education, School Council, Regional Boards of Education, and curriculum development and planning. These were aimed at bringing about:

- genuine devolution of authority and responsibility to the school community;
- collaborative decision-making processes;
- a responsive bureaucracy, the main function of which is to service and assist schools;
- effectiveness of educational outcomes; and
- the active redress of disadvantage and discrimination (Creed, 1991, p. 236).

Clearly, these themes promoted a broader participation by the wider school community. Effectively they were intended to democratize the decision-making process in that students, parents, teachers and principals had legislated representation on school councils. School councils were expected to adapt the broad ministry policies to local conditions, particularly with respect to curricular and co-curricular activities. There was no move at this stage to give greater fiscal responsibility to schools or to allow local selection of principals and staff. Nevertheless, the setting up of these bodies and the existence of the local school councils were crucial in the strengthening of collegial decision-making cultures within schools.

Two major initiatives were taken in the mid-1980s with regard to curriculum, both of which were relatively well received by teachers. The Blackburn Report or Ministerial Review of Post-Compulsory Schooling (Blackburn, 1985) recommended a common credential or single-certificate system at the end of the secondary years. The new Victorian Certificate of Education (VCE), as it became known, introduced a 'work requirement' criterion referenced approach to assessment in Years 11 and 12 and gave equal weighting to school-based and external assessments. While not all teachers agreed with the required change in pedagogy, most would have accepted the increased professional responsibility of greater school-based assessment.

The other curriculum initiative was the establishment of a 'School Curriculum Framework, for P–12'. This was produced as an aid to schools in order to implement curriculum development and planning. It was not a prescriptive document but was aimed at providing promised government support in the planning, developing and reviewing of school programmes. It encouraged the same approaches to pedagogy and assessment that the VCE had. It was neither mandatory nor subject to state-wide testing of students (Townsend, 1997).

In 1986, the Labour government put out a discussion paper entitled 'Taking Schools into the 1990s', which received a mixed reception from the school communities. The paper proposed the establishment

of new self-governing schools that would operate within a framework of state-wide guidelines and policies for curriculum and resource distribution, a state-wide system of central employment for teachers, public accountability and support for school councils. Schools would decide on curriculum, select teaching staff, decide on ancillary staff or additional teaching staff, undertake major and minor building work, and allocate all funds (Creed, 1991, p. 242).

Opposition came from primary schools. They considered the proposed changes as radical. Teachers and parents saw the proposed changes as a threat to the existing state system and to teachers' work conditions. Most of the proposals were not implemented under the Labour government of that period. However, these became an important *landmark* paving the way for the Liberal government in 1992 to move to SBM.

Nevertheless, a selected group of organizations, including the three major teacher unions, reviewed the proposed changes, which resulted in interpretation of devolution to mean a "partnership in school governance among parents, teachers and students in post-primary schools" (Creed, 1991, p. 239). The outcomes of the deliberations between these groups and the government resulted in the implementation of the following reforms:

- School Councils became more involved in the making of the educational policies of their schools.

- The establishment of Regional Boards to promote participation at regional level. The members of these Boards were drawn from school councils.

- The formation of the State Board of Education, which would be accountable to the Minister but independent of the Education Department. The Board was to provide expert representation in specific fields.

- An Equal Opportunities branch to be consistent with the redressing of the disadvantage principle (Creed, 1991, pp. 239-240).

A policy paper entitled: 'Education: giving students a chance', published in late 1992 by the now Liberal government, outlined that quality education can best be achieved by transferring educational decision-making and resource management to the school level, where education takes place. A 'Schools of the Future' task force was formed to develop a detailed report outlining the government's objectives and how quality education would be delivered. The task force released the SOF Preliminary Paper in 1993, which revealed that the key to schools' effectiveness would be a school charter. The 'School of the Future' programme and other legislation has increased dramatically the powers and responsibilities of school councils and principals. Victorian principals were placed on limited-tenure contracts and local selection of staff was introduced.

The speed with which this reform was institutionalized warrants highlighting. In March 1993, the government asked for applications to place 100 of the state's schools into a pilot programme. The programme aimed at providing "virtually full authority over the budget and personnel function to the school site" (Odden and Busch, 1998, p. 72). Within a six-week period over 700 schools applied and, in July 1993, more than 300 schools entered the first phase of the SOF programme. Another 500 schools entered the programme in early 1994 and an equal number in July 1994. By mid-1995 all Victorian schools were in the SOF programme. In an attempt to assist schools to understand their role as a self-managing school, two information kits were published by the Directorate of School Education in 1994 (a and b). And, to assist schools to formulate and implement procedures to achieve their respective visions, a Curriculum and Standards Framework was created. This is a framework within which schools are able to create their own programmes whilst taking into consideration the identity, aspiration and interests of their teachers. The curriculum framework was provided for all schools by the Board of Studies, while charter guidelines and an accountability framework were developed by the Office of Schools Review. The rest of this chapter deals with the dimensions of the reform and its implementation in Victoria.

Significance of the Victorian experience

The significance of the Victorian initiative in SBM has been highlighted by several authors (Caldwell and Hill, 1999; Chapman, 1988; Gurr, 1999; Gamage, 1996; Odden and Busch, 1998; Townsend, 1997). The model is distinguished by two dimensions: (1) the involvement of both internal and external constituencies such as the principal and the representatives of the staff, parents, community, and, in the case of secondary schools, students; and (2) the decentralization and devolution to the school level as against the district or the local education authority level, as is the case with other countries, such as the USA or the UK (Gamage, 1996, p. 28).

To Odden and Busch (1998), Victoria's experience with SBM through the SOF programme "represents perhaps one of the most sweeping and comprehensive strategies at school decentralization for higher student performance attempted anywhere in the world" (p. 73). In sum, Odden and Busch continue, the SOF programme is:

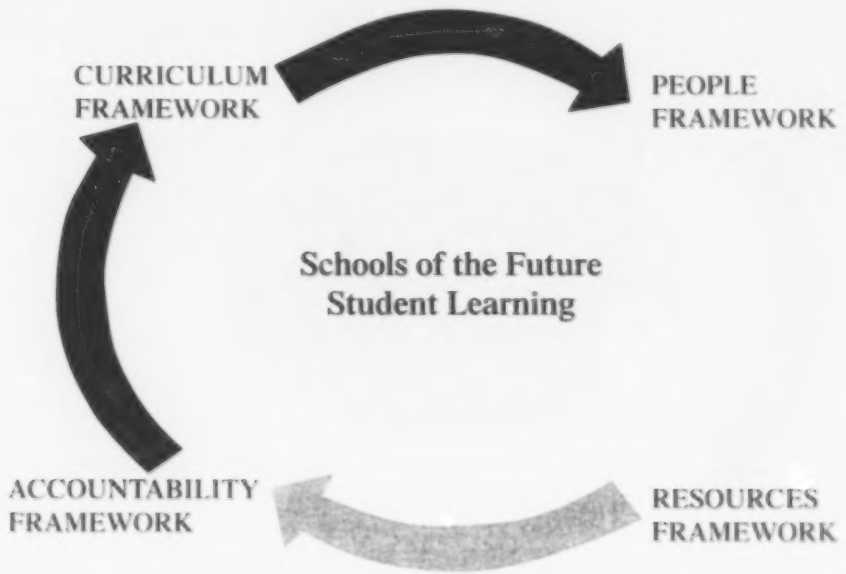
> . . . an ambitious school decentralization initiative. It is designed to set curriculum content, student performance standards, and measurement of school results at the top of the education system and to decentralize accomplishment of goals and objectives to each school site. It also includes a series of results-based accountability mechanisms, created to shift the orientation of the education system from inputs to outputs (p. 73).

Other authors, Caldwell and Hill (1999), for example, declared that the reform and its features are:

> . . . the most sweeping in any system of state education in Australia since the establishment of government schools in the late nineteenth century. Nearly 90 per cent of the recurrent expenditure is distributed to schools in a school global budget. (And) . . . with about 1,700 schools, Victoria has the distinction of being the largest system of public education anywhere in the world to have adopted the new arrangements and to have decentralized such a large part of the state budget for school education.

To the developers of the reform, SOF aimed at "improving the quality of education for students by moving to schools the responsibility to make decisions, set priorities and control resources". Accordingly, SOF "make more efficient use of resources for the benefit of students, provide a more professional workplace for teachers, and increase the level of community knowledge of, and satisfaction with, schools" (DSE, 1994b). Basically, the reform has four elements, as shown in Figure 1.

Figure 1. The dimensions of 'Schools of the Future'



The Curriculum Framework: the process of decentralizing the curriculum made standards for student attainment explicit. The framework consists of two elements: the Curriculum and Standards Framework (CSF) for Years Prep. to 10 (P-10) in eight key learning areas (KLA); and the Victorian Certificate of Education (VCE) for Years 11 and 12. To assist schools to formulate and implement procedures to achieve their respective visions, the creation of a Curriculum and Standards Framework and Course Advice. A framework within which schools will be able to create their own programmes whilst taking into consideration the identity, aspiration

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and interests of their teachers" (Directorate of School Education, 1994a, p. 1).

The People Framework: The career structures of principals and teachers were addressed in the People Framework. There are five elements to the People Framework: (1) local selection of staff; (2) full staffing flexibility and workforce planning; (3) performance management for principals and teachers; (4) professional development; and (5) new career structures.

The Resources Framework allocates 90 per cent of schools' recurrent budget directly to schools; gives schools the flexibility to allocate all resources in accordance with student learning needs; and funds schools in a clear and equitable way through the School Global Budget.

The Accountability Framework has three elements: School Charter, Annual Report, and Triennial Review. Quality assurance in Victorian schools is the main mechanism through which the performance of schools is monitored.

Each of these frameworks has several elements. Whilst most of the elements are in place, some are still to be fully implemented, such as full staffing flexibility, in the People Framework. The discussion in the next section will focus on those dimensions of the SOF that are of general significance to SBM in other parts of the world. That is, the focus is on those features which could be adopted by other education systems and/or, at the same time, those features unique to the Australian or Victorian settings, which have lessons to be examined by planners and administrators in other systems for suitability of adaptation.

Dimensions of SOF's reform

The SOF reform in Victoria has several distinctive features. These were summarized by Frank Peck, in his role as the General Manager for Policy and Planning in 1993-1996, and as one of the architects of the reform. These features include:

- The school charter is the school's vision for the future. It is also the key planning and accountability document, which serves as the formal understanding between the school community and the Directorate of School Education. High levels of autonomy and accountability for each school are expressed through the school charter.

- To complement the charter, the authority of school councils as governing bodies has been expanded to include responsibility for the selection of principals, the employment of non-teaching staff, and the use of teachers on short-term contracts for particular projects.

- Each school council reports to the community through a comprehensive annual report focusing on educational achievements.

- An independent school review process that reconsiders and renews charters takes place every three years. This process assists schools in monitoring and improving the performance of their students.

- Each school principal selects a teaching team.

- The principal has the responsibility to foster the professional development and personal growth of teachers.

- The school community decides on the best use of its resources through a one-line global budget, which allows for local flexibility (quoted by Townsend, 1997, p. 201).

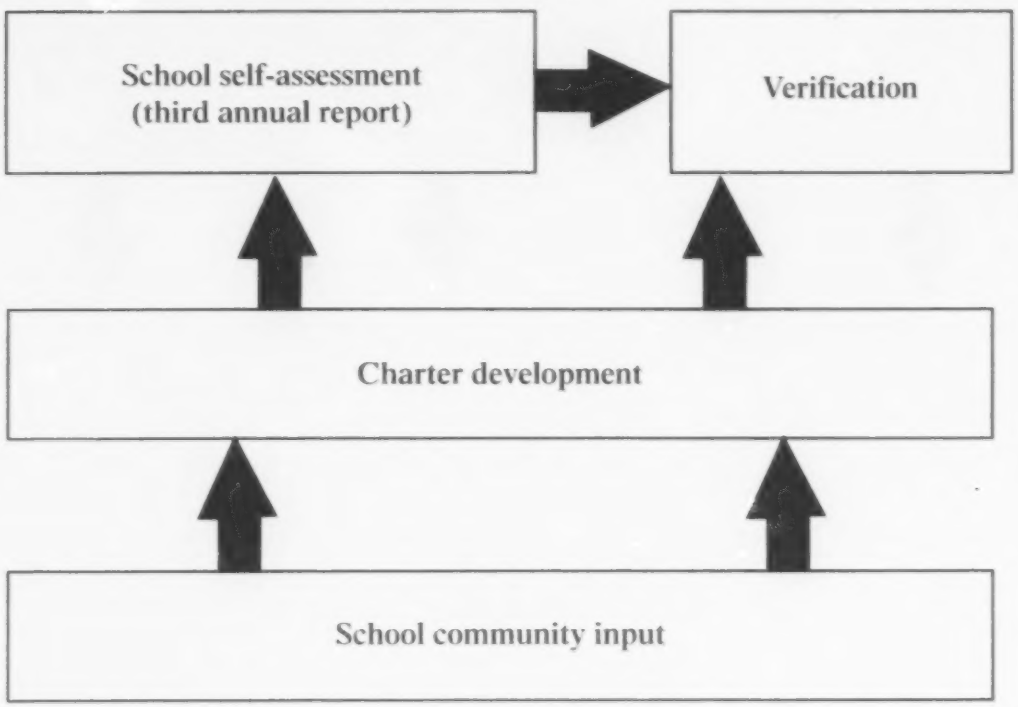
These features are directly linked to the four frameworks of the SOF discussed earlier. They represent, in essence, most of the elements of the four frameworks.

The school charter

As part of the Accountability Framework, the school charter is the official document produced by the school and the school council

in collaboration with the school community. It is considered the major accountability agreement between a school and its community for the achievements of its students, on the one hand, and the school and the Department of Education, on the other. Each school develops its own charter, which outlines how the school intends to deliver quality education to its students using the resources available in its global budget (the resources allocated to it by the DOE). Through the charter, school communities have the opportunity to determine the future character, ethos, and goals of the school (DSE, 1994a). Figure 2 shows the process by which the school charter is developed.

Figure 2. The process of charter development



The document of the charter includes: the curriculum profile, codes of practice, students' code of conduct, accountability, budget summary and an agreement to ensure that schools meet their objectives within the limits of available resources. In particular, the document gives:

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- A description of the school's philosophy and future directions.
- The school's goals and priorities identified as requiring further development.
- How the school intends to deliver the eight mandated curriculum areas and any other special enrichment activities specific to that school.
- Codes of practice for school council members, principals and staff.
- A code of conduct and the discipline approach used for students of the school.
- Details of the processes used for monitoring and reporting student performance.
- A prediction of student numbers and an indicative budget for the period of the charter.
- A statement that the school agrees to operate within the terms of the charter and to agree to take all reasonable steps to ensure the school meets its goals within the available resources.

The school charter sets the strategic directions for three years. It provides the basis for detailed action plans and allows for the identification of performance measures in meeting the goals and priorities which relate to curriculum, school environment, management, resource allocation and monitoring performance. Each goal is accompanied by indicators which enable achievement of that goal to be measured. The priorities are based on planned and continuous improvement. This places demands on the school to analyze its performance and, using the results of this analysis, to generate priorities for improved student performance. Schools report annually to the DOE and their local community on their performance in achieving their goals and priorities. Every three years a review is conducted at the school, in conjunction with the Office of School Review, to assist with the development of a new charter.

The school charter model adopted in Victoria has a number of features that place it in the category of world's best practice. According to Gurr (1999), there is explicit detail concerning the areas identified for improvement and the goals that drive the school; it is not a document that focuses only on improvement, but includes details about the normal operation of the school. Secondly, it is student-centred with explicit acknowledgement of the central importance of curriculum and improved student learning. Measurement of both goal and priority outcomes are prominent features. Thirdly, the school charters are firmly located within a broad accountability framework that includes school review and school annual reports. Fourthly, there is detailed specification of the roles of the school community members and a profile of the school (Gurr, 1999). Most importantly, as an accountability instrument, the charter gives parents, via the school council, a greater say in the conduct of the school, and increases the requirement to account for the enterprise to government. The Office of School Review can require that charters be rewritten, and the objectives not attained in one year be carried over to the next.

Curriculum and Standard Framework

A second important feature of the SOF programme is the Curriculum and Standard Framework (CSF). This is one of the elements of the Curriculum Framework noted above. CSF was developed by the Board of Studies. There are eight key learning areas in the framework: the arts, English, languages other than English, mathematics, sciences, technology, studies of society and environment, and health and physical education. These guide the development of the curriculum from the preparatory year through year 10. The framework contains two components: (a) the curriculum content in several different levels to be attained over 11 years of study, across the various strands of activity within the key learning areas; and (b) the learning outcomes for students for each of those levels (Townsend, 1997).

The CSF incorporates both content and process standards. Student progress is assessed against the CSF in a programme of state-wide assessment, the Learning Assessment Project (LAP). The

LAP assesses students in years 3 and 5, in English and mathematics annually, and in one other key learning area on a five-year cycle. CSF is a teacher assessment of student performance based upon agreed performance levels contained within the CSF documents. In addition, the state introduced one more testing: a state-wide testing of student performance through the Victorian Secondary Assessment Monitor (VSAM) at years 7 and 9.

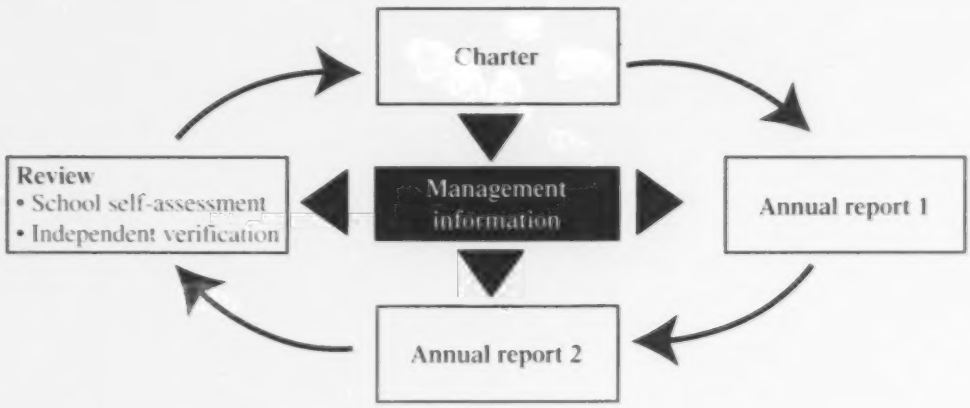
The introduction of explicit standards via the CSF set a yardstick for teachers and the community, and made public what had been the professional concern of individual teachers and staff. The LAP reports to parents took the locus of information control on student progress out of the hands of the teachers. It gave parents 'objective' feedback on their children, gave schools feedback on their performance vis-à-vis other schools, and gave the system information on overall attainment. In other words, in government schools the LAP results became another instrument of accountability when added to school charters.

At the same time, the Victorian Certificate of Education (VCE), which is a two-year (years 11 and 12) completion certificate, was revised and re-accredited. As noted earlier, the VCE provides a wide variety of subjects for students to enable them to undertake studies for either university entrance and/or employment. It contains a series of Common Assessment Tasks (CATs) to be completed by all students undertaking a particular subject to ensure common achievement measures across the system. Some CATs are assessed at the school and others through external examination, but a state-wide moderation system is used to ensure parity for all students' work (Townsend, 1997). All students involved in the VCE are required to sit for a General Achievement Test (GAT) as a means of providing a check on the distribution of student grades for school-based CATs within the certificate. Should the school's VCE performance fall within the tolerance range of that school's performance on the GAT, then the results for the VCE assessment will be confirmed. If not, the VCE results will be externally reviewed (Gurr, 1999).

Systematic and local accountability

The third feature of the SOF, which is part of the Accountability Framework, is the systematic and local accountability processes. These are drawn in Figure 3. At the system level, the Board of Studies provides curriculum leadership and assistance to schools on a state-wide basis, while the Office of School Review supports the attempts of individual schools to raise the quality of their teaching and learning. The Board is responsible for course development and accreditation, course evaluation and assessment of student performance (including school completion and certification). The Office of School Review is responsible for the co-ordination and management of the accountability processes, particularly as they relate to the development and review of school charters.

Figure 3. Systematic and local Accountability Framework.



As for local or school-level accountability, the school councils have the authority to determine the educational policies of the school within the framework of the school charter. The councils are responsible for maintaining the school plant and grounds, employing non-teaching staff and contracting the services of teachers for particular projects. They are accountable to their local communities, to whom they report through the Annual Report, and to the DOE.

through which independent auditors ensure that the financial dealings of the school conform to the appropriate guidelines.[6]

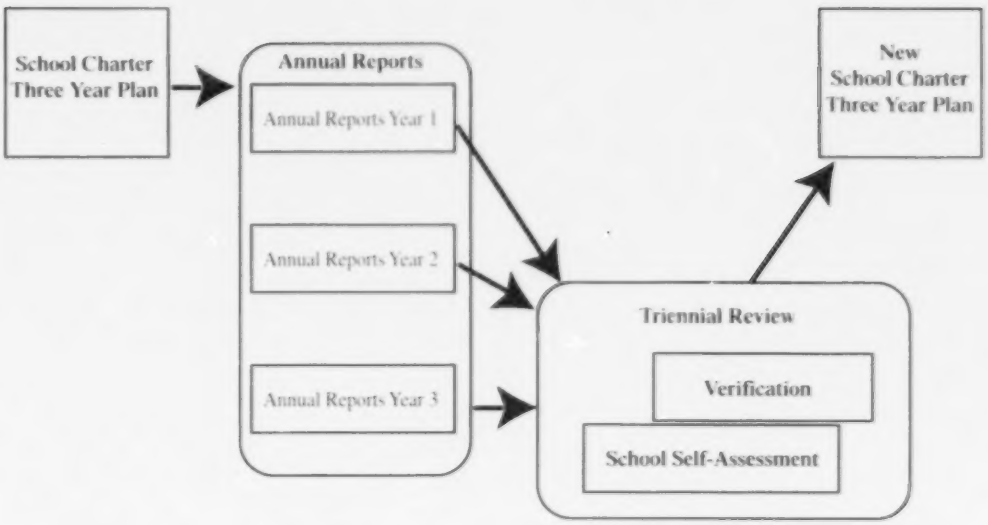
These elements of the Accountability Framework serve two main purposes: they satisfy the "legitimate expectations of government about accountability for the outcomes of schooling", and assist "schools and teachers to improve standards of student learning" (Office of Review, 1998a, p. 4). The framework allows schools to monitor and report on their effectiveness and focus upon improving it. It provides an integrated planning, development and reporting package in which schools develop their own educational plans and priorities within government guidelines (through the school charter) and monitor the progress in meeting these objectives (through annual reports and a school self-assessment). The school self-assessment is externally monitored through the verification phase of the school review component of the framework. The school charter, annual reports, self-assessment and independent verification are public documents, which are available for community inspection at the school level. The DOE does not allow public access to the accountability documents that they store from schools; these have to be accessed from the schools directly (for further details, see Gurr, 1999).

School review

This is an element of the Accountability Framework. The school review, as shown in Figure 4, is a triennial review based on a school self-assessment and independent external verification leading to the development of a new school charter. Community consultation is encouraged at all stages of the process, with many schools utilizing significant community input into the development of the school self-assessment, including community representation on the verification panel, and community involvement in the final development of the new charter. There are three annual reports indicated. Most schools complete two annual reports, with the school self-assessment doubling as both the summary of three years' achievement and the third annual report.

6. Both the LAP and the GAT assessment noted earlier are also used as part of the Accountability Framework.

Figure 4. School review



School self-assessment

The school self-assessment forms the summary document of the performance of the school over the three-year span of the charter. It is this document that is used in the verification process. For most schools this document is the third annual report of the three-year term of the school charter. It is the school that constructs this document, albeit in a government framework. It is not until the verification process that external review of these data is conducted.

There are detailed guidelines as to how schools interpret data for the self-assessment as compared to the annual report. In working with the data, schools are required to present data, interpret the data, make judgements and make recommendations. The recommendations are focused upon the school goals and priorities for the next charter. In constructing the self-assessment, schools are encouraged to involve their school community, although the extent of involvement varies. Some schools utilize consultants to help facilitate the process and/or the analysis.

Verification

An external verifier contracted by the DOE conducts the verification of the school self-assessment. The verification process has been constructed to be both affirming and challenging. It is affirming in that the work of the school and the progress made over the past three years are acknowledged and celebrated. It is challenging in that the process leads to the setting of new goals, priorities and aims regarding improvement focuses for the next three years. The verifier acts as a critical friend to work with the school to look at the analysis of the school data afresh to ensure that the school self-assessment is supported by the data presented, highlighting achievements, noting areas that can be improved or those that have been overlooked, and setting the planning and improvement agenda for the next three years (Office of Review, 1997e).

The verification is conducted over one school day with the verifier typically meeting with the principal, school council president, and one or more teachers. At the conclusion of the meeting, the verifier prepares a report which is then forwarded to the principal for consultation before the principal, school council president and verifier sign the document. A copy of the document is then forwarded to the central administration. The end result of the process is that there is a set of firm recommendations on the goals, priorities and aims regarding improvement focuses to be included in the next charter (Gurr, 1999). The school is in considerable control of the process through its writing of the school self-assessment, ensuring wide representation on the verification panel and through the principal chairing the verification day.

Global budgets

The Resource Framework represents a significant feature of the SOF. Through this framework, the reform has implemented a new basis for funding government schools in Victoria through a well-developed School Global Budget (SGB). The SGB is primarily a formula-based funding model, which consists of a base element for all schools, together with an equity element based on the characteristics of the students enrolled. At the same time, SGB is an effort to match

resources to learning needs. Each school receives an SGB, most of which comprise per-student funding to reflect different resource requirements across a range of variables related to learning needs. It provides funding for all school-based costs, including staff salaries and on-costs, operating expenses and school maintenance. The SGB is basically a 'Needs-based activity-led funding model' (see Ross and Levacic, 1999). Hence, individual schools would have the flexibility to allocate all resources in accordance with local needs.

Schools were supported in the introduction of local budgets with increased funding for administrative support and with a software package called 'Computerized Administrative Systems Environment for Schools' (CASES). This assisted the schools to monitor their financial, personnel and administrative functions. Devolving financial management to the local level aimed at empowering principals and school councils to set and allocate resources for local priorities, to separate the purchase of education from its provision, and to decrease the need for a central bureaucracy.

The SGB has its counterpart in other places where there is a high level of school-based budgeting. In every instance, the task of determining the basis for allocation has proved difficult for a range of reasons, including the absence of information about allocations in the past and debate about the relative weightings to be given to the different factors to reflect learning need.

In 1994 (and again in 1995), an Education Committee was called by the then Minister of Education to advise him on a mechanism by which the DOE could allocate 90 per cent of its state's budget to schools. Most of the recommendations made by the Committees in 1994 and 1995 were implemented. These included a per capita core funding supplemented by needs-based allocations for students at educational risk, students with disabilities and impairments, in rural or isolated areas, students from a non-English speaking background, and priority programmes. The principles underlining these recommendations were detailed as follows:

Pre-eminence of educational considerations
This principle implies that determining what factors ought to be included in the construction of the School Global Budget and what ought to be their relative weighting are pre-eminently educational considerations.

Fairness
This principle implies that schools with the same mix of learning needs should receive the same total of resources in the School Global Budget. In accordance with this principle, SGB should redress the unfair historical allocation of resources, which involved some schools receiving more resources and some schools receiving less resources than they would have in the past.

Transparency
This principle implies that educational validity and the fairness of the SGB will be apparent only to the extent that the basis for allocations in the SGB is transparent, that is, it is clear and readily understandable by all with an interest. The basis for the allocation of resources to each and every school should be made public.

Subsidiarity
Subsidiarity is the principle that a decision should only be made centrally if it cannot be made locally. It describes the principle of maximizing funds available for school-based decision-making. An implication for the construction of the SGB is that the starting point is to consider as included all items of expenditure related to the operation of schools. A case must then be made to exclude an item from the SGB. Exclusion of items from the SGB, if and only if, (a) schools do not have control over the expenditure for the item; (b) there is excessive variation in expenditure for the item at the school level from one year to the next; (c) there is unpredictability in expenditure for the item at the school level; (d) expenditure is of a one-off nature; or (e) the item is one for which the school acts simply as a payment conduit.

Accountability
Accountability is a necessary counterpart of the educational focus in the SGB, given that the latter is concerned with matching

resources to learning needs. A school which receives resources because it has students with a certain mix of learning needs has the responsibility of providing programmes to meet those needs, and should be accountable for the use of those resources, including outcomes in relation to learning needs.

Strategic implementation
When new funding arrangements are indicated, they should be implemented progressively over several years to eliminate dramatic changes in the funding levels of schools from one year to another (Education Committee, 1994; 1995).

When implemented in 1995, the SGB consisted of six elements as follows:

- core funding (based on current staffing and grants formulae with additional funding for administrative support for small schools and early childhood years P-2. This amounted to 80 per cent of the total budget);
- additional funding for isolation and rurality (IAR) of schools (depending on the size of the school, and its isolation factor) to achieve staffing and a range of curricula in these schools;
- additional funding for students from a non-English-speaking background;
- additional funding for students with disabilities and impairments (DAI);
- additional funding for students at educational risk (SAER); and
- additional funding for priority programmes, such as, physical and sports education; science and technology; instrumental music; professional development; arts in Australia.

Use of management information systems and technology

Another important dimension of the SOF is its extensive use of technology and a computerized information system. At the administrative level, and as noted above, CASES was introduced to assist schools to monitor their financial, personnel and administrative functions. This allowed the schools to interface with the central computer system. Schools were issued a standardized computer

hardware and software system. CASES stores and processes a range of data including student records (often from teacher input), and financial, physical and human resource data. To enhance the value of information recorded and maintained in CASES, another software package was designed. This is the CASES Management Information System (CMIS), which is an 'add-on' software package to clarify CASES for management purposes. It provides a range of summary reports, often presented graphically, which have been developed in consultation with schools and central personnel. Both CASES and CMIS programmes have been developed in-house by the DOE.

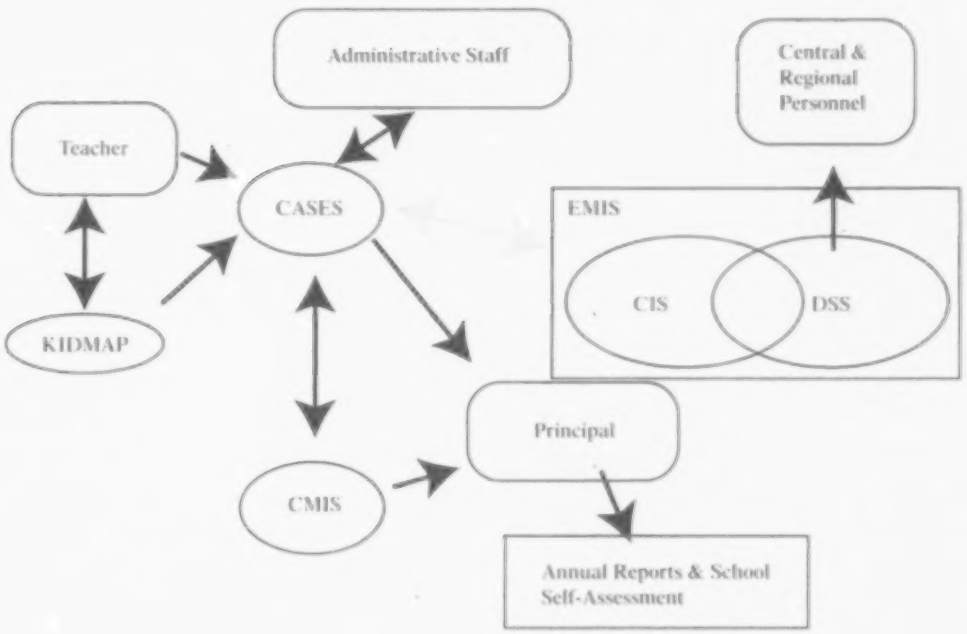
To enhance the system by including student records, a third software product was introduced. This is a commercial product adapted to Victorian requirements. The product, known as Kidmap, provides student assessment and recording, analysis and profiling of student progress/needs, preparation of reports for parents, and access to teaching resources. It allows schools and school systems to access student data and to analyze and interpret these in a variety of ways.

At the central office and regions, the DOE introduced an Education Management Information System (EMIS), which has some linkages to the CASES/CMIS environment. The basic system in EMIS is the Corporate Information System (CIS), which contains basic school profiles, a diary of events, a phone directory and a range of documents. EMIS also includes a decision support system (DSS), which contains the same databases as CIS, but with additional features. These features provide additional information to allow the construction of the profiles of individual schools. They also allow the provision of a range of statistical information for downloading to a spreadsheet/ word-processing package.

The interface between these information management systems is shown diagrammatically in Figure 5 which illustrates the main channels of communication and the users of these channels in the management information system of the SOF. For both the annual report and school review elements, the processes are informed by an extensive array of school and system-generated data on student and school achievement. This very much facilitates the collection and

analysis of data used in the operation of the accountability framework, and the day-to-day operations of the school.

Figure 5. Department of Education Management Information System: KIDMAP, CASES, CMIS AND EMIS



In terms of curriculum delivery, several curriculum programmes, which have an extensive use of technology, were also introduced. An Interactive Satellite Television (ISTV) programme was established in 1994. Both government and non-government schools installed satellite dishes to receive centrally produced programmes. These included 'Primary access to languages by satellite' and Science and technology education in primary schools', to name two. Students could interact directly with the programmes' presenters using either fax or telephone. Professional development programmes for teachers and general access for other community groups were also made available through this new technology. Other technological initiatives in the curriculum included 'Classrooms of the Future', 'Global Classrooms', and 'Digital Chalk'. Basically, these programmes gave all schools access to the Internet; gave the schools opportunities to develop methods of using the new technologies; and brought people from

education and the entertainment arena to work together to develop computer software that both educates and entertains (Townsend, 1997).

Professional development and support

As part of the People Framework, the career structures of principals and teachers were addressed. This was "consistent with efforts to restructure the public sector", where "there has been downsizing of central and regional agencies, with a small but powerful strategic core 'steering' the system" (Caldwell and Hill, 1999). As noted above, there are five elements to the People Framework: (1) local selection of staff; (2) full staffing flexibility and workforce planning; (3) performance management for principals and teachers; (4) professional development; and (5) new career structures. In this framework, staff selection was devolved to the local level and professional development was provided to build capacity in principals for their expanded roles, as well as to skill teachers to implement the curriculum improvements. However, a school's personnel for the most part remained centrally employed. At the same time, schools were given an increasingly autonomous capacity to select staff and determine the mix of professional, para-professional and support arrangements.

All of the restructuring noted above required considerable commitment by the central office, then the DSE, to provide professional development for all school personnel: principals, teachers and school councillors. At the time of their entry into the SOF programme, schools had a six months' induction period to ensure they were ready for their new responsibilities. Professional development for principals included issues related to the global budget, leadership and management. Administrative staff were given training to improve their understanding of the new computer system and the global budgeting process, including the management of personnel. Teachers were given training in programmes related to curriculum leadership in response to school charters. School councillors were given training to help understand the process of charter development, and the implementation of the SOF programme.

At the central and regional level, special positions were created to deal with local concerns. These positions, known as the District Liaison Principals (DLP) were placed in regions across the state. Two positions were placed in the central office. The role of the DLP was to act as a change agent, providing advice and assistance to principals, assisting with professional development, and ensuring that schools had access to student services and curriculum support staff. In addition, a small number of support staff were located in each region.

Support for principals and teachers did not stop at the inception of the SOF programme. It was, and is, an ongoing activity. Areas of support, including leadership training, mentoring and coaching, with experienced principals supporting junior ones, have helped to establish the longer-term future of leadership in schools. The 'Professional Recognition Programme' (PRP) offered teachers the capacity to opt for a system of enhanced pay and career structure, including annual appraisal. The main aims of the programme are:

- to provide a working environment that encourages and rewards skilled and dedicated teachers;
- to encourage the further development of an ethos that values excellence and high standards of achievement; and
- to provide formal feedback on a teacher's performance so that appropriate career development may occur through professional development and other means (Peck, 1996, quoted by Townsend, 1997, p. 207).

To achieve these goals, the DOE allocated in 1995 a total of A$240 per teacher in each school for professional development. This meant that appraisal could feed into improvement and provide the basis for promotions based on merit rather than seniority. Local staff selection, appraisal and professional development gave the schools greater control over their human resources and greater flexibility in responding to local needs.

An evaluation of SOF reform

The SOF reform has devolved considerable authority and responsibility to the school level. At early stages of SOF inception, the DSE published the 'Schools of the Future Information Kit' and 'Schools of the Future Guidelines for Developing a Schools Charter', in 1994, to assist all schools in their transition to SBM. The documents reinforced the thrust for principals to be recognized as true leaders of their schools and to build and lead their teaching teams by clarifying important responsibilities determined at the school level. It has been established by many observers that the unique character of each school and community is reflected in a distinctive curriculum selected from a broad range of studies established by the Victorian Board of Studies. Different approaches to learning and teaching are encouraged to optimize the advantages gained from technological progress and to enable each student to realize his/her full potential and to achieve the overall aim of providing a quality education for every student. The school charter, developed within the guidelines of the DSE/DOE, encapsulates the school's vision and establishes a framework for the allocation of resources. The crucial element for the success of the school is its ability to respond to the needs of the community and to provide a service which sustains an ongoing demand for places within the school, as well as a boost to the employment potential of its graduates.

The success of the SOF reform is attributed to several elements (Gurr, 1999). First, the accountability framework presents an integrated programme that works at two levels: for school planning and development, and for system accountability. It is this dual utility that is the key to success. Schools value the framework for it is providing them with a valuable developmental tool. Inspection programmes, such as those used in England, do not offer the same degree of support to schools as the accountability framework offers. Second, the framework has been supported by the development of a range of performance measures. Some have been developed especially for the framework (staff and parent opinion surveys), whilst others have been developed as part of other elements of the reform (e.g. CSF). Importantly, benchmarks of performance have been created which

allow schools to assess their performance against that of both the state average and schools which have a similar student population. Third, the development of the performance measures has been supported by the development of software to facilitate the display and analysis of the data.

According to Gurr (1999), this process has provided schools with the tools to monitor performance, a quality assurance framework within which to operate, and a quality control process that meets systemic requirements. In essence, the accountability framework includes the benefits of a supervisory model of school supervision, with an explicit and extensive programme of support for school planning and development. Furthermore, appropriate levels of professional development have been used to support the framework implementation. Extensive consultation and trailing occurred in the development of the school charter, the annual report and the triennial review. The Office of School Review also consulted widely with experts throughout the world and the personnel at the Office of Review have been active in gaining international experience of best practice. The independence of the Office of Review from the schools section has enabled it to develop the accountability framework without the constraints that it might have been subject to had it been part of the bureaucratic structure of the Office of Schools.

However, there remain considerable constraints on schools (see Caldwell, 1998b, for a discussion). For example, the leadership role of a principal of a SOF is a demanding one. As the Executive Officer of the School Council he or she must attend to the control of financial planning, following the allocation of a formula-based global budget, and determining educational policies within guidelines. All of these tasks impact upon the various interests of all stakeholders. The task carriers have onerous responsibilities both 'upward' to the DOE and the Minister of Education as well as 'outward' through the members of the School Council to staff, students, parents and the community.

Moreover, and despite the many achievements of the SOF, there is evidence of a negative impact, including increased teacher and principal workload and time demands; concern over the level of resources; increased reliance on local fund raising, including the

collection of fees; teacher disempowerment; and a decrease in school diversity (Townsend, 1996). There is also frustration at the inability of parts of the reform to be fully implemented, especially the promise of school control over staffing and the implementation of the principal performance management plan (Cooperative Research Project, 1998).

There was a concern that reforms to bring about the decentralization of authority in the current education system are cost-cutting measures, rather than a means of improving school effectiveness. As a matter of fact, this phenomenon of cutting costs and shedding off staff has been a feature of most SBM reforms worldwide.

Smyth (1993), among others, confirms this by saying:

> One of the noticeable (indeed, even remarkable, or is it?) features of the move towards the self-managing school phenomenon around the world, is its occurrence in a context of unprecedented education budget cutbacks. Wherever there is a break out of self-managing schools, the notion is used as a weapon by which to achieve the alleged 'efficiencies' and 'downsizing' of education (p. 8).

On the other hand, the new arrangements of decision-making and the community involvement saw education as a partnership between the staff and the parents. Much of this seems to have been undermined in favour of more power to the principal (Townsend, 1997, p .212). Townsend (1994) found, in both Australia and the USA, that there was unanimous agreement from members of school communities that the most critical factor for the development of more effective schools was 'dedicated and qualified staff'.

Summary of chapter

This chapter reviewed one of the most radical SBM reforms. Described as the School of the Future, the developments of SBM in the State of Victoria, Australia, have evolved over 20 years, resulting

in a "re-alignment of responsibility, authority and accountability" (Caldwell, 1995, p. 5) . Within less than two years since the start of the initiative, more than 1,700 government schools became self-managed, and had control over their own budgets, covering more than 90 per cent of expenditure, with principals having authority to select staff.

The reform aimed at improving the quality of education for students by moving to schools the responsibility to make decisions, set priorities and control resources, and it works within four elements. The first is a curriculum framework which made standards for student attainment explicit, in almost all grades. The framework assists schools in formulating and implementing procedures to achieve their respective visions, create their own programmes, whilst taking into consideration the identity, aspirations and interests of their teachers. The second is the people framework, which is related to the career structure of the education workforce and staff development in schools. The third element is the resources framework, which allocated more than 90 per cent of schools' recurrent budget directly to schools; gave schools the flexibility to allocate all resources in accordance with student learning needs; and funded schools in a clear and equitable way through the School Global Budget. Finally, the accountability framework became the main mechanism through which the performance of schools is monitored, first through a school charter, and then through a series of reports and reviews. The review focused on those features which could be adopted by other education systems and/or, at the same time, those features unique to the Australian or Victorian settings, which contain lessons to be examined by planners and administrators in other systems for suitability of adaptation.

The review presented several significant observations, which are of interest to educational planners and decision-makers in ministries of education in other parts of the world. The first of these observations is that the drive for educational efficiency and effectiveness, which the SOF programme represents, has seen the system restructured and an imposition of performance concepts which demand expertise in a broad range of skills from school councils and principals. The ambiguity of the decentralization process lies in the transfer of

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responsibility for resource allocation to the school, but the retention of authority to assess, review and redirect the activities at any school site. The balancing act can be seen to be difficult for any principal before the task begins. But a clear understanding of the limitations of the decentralization process has assisted in the resolution of the problem.

The second observation relates to the School Global Budget. The SGB is basically a formula-based funding model which consists of a base element for all schools, together with an equity element based on the characteristics of the students enrolled. It provides funding for all school-based costs, including staff salaries and on-costs, operating expenses and school maintenance. The SGB consists of two components: a core component, based on each school's student population, and an indexed component, based on the special learning characteristics of the students.

The third observation is that this funding model aimed at meeting the educational needs of individual students at each school. Categories include students with disabilities and impairments, in rural or isolated areas, students at educational risk and from a non-English-speaking background. Budget principles of educational pre-eminence, transparency, subsidiarity, accountability and strategic implementation of funding arrangements were utilized in resource allocation, but the tension of accountability and centralization became pitted against that of liberty. The schools, although able to direct funds according to a local agenda, were also faced with an increased accountability measure.

The fourth observation relates to one of the significant highlights of the SGB, which is the increased funding for early childhood, considering that children's learning during the preparatory to year 2 stage is crucial to the development of their literacy and numeracy skills which form the basis of their educational success in later years.

The fifth observation relates to the use of technology and computerized information systems for the running and monitoring of the administrative functions of the system at both the central and

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local levels. This is accompanied by the use of technology for curriculum delivery to urban, rural and remote areas.

The sixth observation relates to the role of the leaders in changing the culture of the system. In Victoria, the gradual movement to all schools becoming SOF was led by a powerful government position and an education minister who believed in the value of local community involvement in schools. The Ministry provided all necessary funding to cover the costs of the restructuring process, and devolved considerable authority and responsibility to the school level. The Ministry published several information kits and booklets about all elements of the reform to assist all schools in their transition to SBM. The reform reinforced the thrust for principals to be recognized as true leaders of their schools and to build and lead their teaching teams by clarifying important responsibilities which are determined at the school level. The role of leadership at the most senior level (the Minister in this case) has succeeded in changing the culture of the system, and the role of the principals at the school level was crucial to the success of self-managing schools. The functions of leadership in providing support to a successful SBM reform are examined further in the next chapter.

Finally, the gradual movement to all schools becoming SOF led to a debate on individual issues, but not on the values of the system itself. Government values are related to efficiency, autonomy and liberty, but are usually related within a market-driven model. In addition, since the implementation of government policies for SBM tends not to be based on empirical research evidence derived from longitudinal studies, and the focus remains on economic priorities, issues such as equity, social justice and equality of educational opportunity are in danger of being overlooked. The impact that financial delegation can have on issues such as equity in a self-managing school is examined in the next chapter.

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IV. Financial delegation and leadership

Introduction[7]

This chapter addresses the educational imperatives of the reform. The focus is on the question of effectiveness of SBM in 'delivering' what it has been espousing to achieve, e.g. devolution of responsibility, including financial responsibility, improvement of students' outcomes, impact on equity between and within schools, and on devolving various administrative functions to the school. Several writers, as cited throughout this book, have suggested that through the adoption of SBM approaches and techniques, the characteristics of effective schools can be developed and promoted. Currently, there is limited empirical research evidence to indicate whether or not the approach has suitability or efficacy (Campbell-Evans, 1993, p. 93). The existing literature does, however, warrant attention. In particular, attention will be focused on the process of financial delegation and devolution of resource allocations to schools, and on leadership and equity considerations.

An analysis of SBM and financial delegation is useful in grasping a more complete understanding of the factors which can determine the level of success (in terms of student outcomes) which might be expected from decentralization of management. Brown (1990) described six features of effective SBM:

- autonomy, flexibility and responsiveness;
- planning by the principal and school community;
- adoption of new roles by the principal;
- a participatory school environment,
- collaboration and collegiality among staff; and
- a greater sense of personal efficacy for principals and teachers.

7. The assistance of F.I. Patterson in the preparation of this chapter is acknowledged.

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There is evidence in Brown's study that SBM fosters more planning by the principals and the school, and that more resources are available at the school level to align with those plans. Moreover, there is evidence that increased resources are channelled to activities thought to be linked with learning outcomes, such as professional development and textbooks. It is possible that SBM, insofar as it facilitates a more participative school environment, could lead to an increased sense of individual contribution to the school.

Duignan (1990) argues for a curriculum, client-based approach, with the focus on school-based decision-making, allowing schools control over their resources by which to fine-tune curricula for the benefit of students.

> Concern with the teaching-learning process, increasing devolution of responsibility and accountability to the school level, a more diverse client base, and ever-increasing pressure on schools to educate and prepare students for the world and jobs of tomorrow dominate the attention of educators in many countries around the world. Professionals cannot escape the contradictions evident in the public's expectations for schooling. Contradictions such as public despair with education systems, but parental support for the teachers of their children; pressure for cost effectiveness and efficiency at the government level, but indignation at the closure of the local school; and cries from some employer groups for specific, job-related skills, but demands for generic thinking and living skills from others, are common (Campbell-Evans, 1993, p. 93).

Principals must negotiate the common ground which lies between the disparate views of concerned stakeholders. In real terms, the content of the principal's leadership role is too immense for one individual. A solution could lie with the involvement and assistance of others. With limited resources to meet unlimited demands and tasks, the pooled resources of a team of school leaders is a practical alternative. A shared or team approach can enhance the efficiency and effectiveness of leadership.

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Why delegate financial management?

The delegation of financial management to schools has, as its objective, improved school effectiveness. One aspect of this improvement is better managerial efficiency, since the decision-makers are closer to the clients whom the decision should benefit. Other aspects include improved efficiency, more obvious accountability and greater control over the quality of the education provided. Financial delegation can also be viewed as one of several conditions necessary to create a competitive market economy for schools, providing consumers with choice. MacGregor (1990) quotes the Secretary of State for Education and Science in the United Kingdom:

> The only importance of pupil-led funding will be seen in the effect it will have on educational standards. It will lead to a competition for excellence. There will be a clear incentive for schools to attract more pupils. We want to reward success. Popular schools – not hampered by artificial admission limits – will attract more pupils, grow and receive more money. In short, we will have a much more responsive system and greater customer orientation. There will be two reasons for this: because management decisions will be closer to the ground and because there will be a financial incentive to improve standards (p. 1).

Bowe, Ball and Gold (1992) provide an analysis of the education systems of England and Wales, contending that the process of education has become a production process with teachers as producers, parents as consumers, knowledge the commodity and the educated student, the product. In order to succeed, schools promote innovative and cost-effective approaches to fulfilling consumer demand. The operative themes are entrepreneurialism and market-driven funding. While there are similarities in the policies for delegated financial management across several countries, the emphases vary. In Canada and Australia the concern is mainly with managerial efficiency and effectiveness; many of the schemes in the USA are more concerned with empowerment; and LMS developments in the UK, as well as those in New Zealand, are centred upon a market economy.

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Around the world, schemes for financial delegation vary enormously (Ross and Levačić, 1999). There is a wide scope of categories of delegated expenditure, but few schemes delegate the full range of financial responsibilities. Usually, a formula determines the allocation of funds to schools. The capacity to allocate for special requirements such as for small schools, special education or ethnic needs is factored into the formula. The response of schools to schemes for financial delegation has depended largely on the school's stage of development, its institutional culture and on individual circumstances. While some quickly develop successful skills and practices, others flounder. As noted in this chapter, SBM may magnify differences between schools, depending upon the formula for allocation or of fixed costs or how confidently schools are able to tackle the opportunities for planning, entrepreneurship and income generation.

Levačić and Marren (1991), in describing the spending decision of 11 schools in one local education authority, noted that the individuality of each school was reflected in their contrasting decisions about several matters, including changes to teacher staffing and the supply of teaching and non-teaching support, premises maintenance and improvement, the lettings of premises and income generation, as well as learning resources and longer-term planning. To a large extent these variations were due to factors such as the personality and values of the principal, the views of senior staff and the governing body, the effectiveness of the school's management and the previous experience and tradition of the school (Knight, 1993). Inevitably, the current financial position of the school and whether it was facing rising or falling enrolments significantly influenced its response.

Research has yet to clarify the extent to which financial management distracts the focus of principals, deputies and other senior staff away from other key tasks, such as instructional leadership. It is possible that financial delegation will bureaucratize relations between principals and staff and create a less caring environment. However, there seems to be general agreement that the importance of the principal increases significantly with financial delegation. In Edmonton, for example, Smilanich (1990) reports that:

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> The principal has the unenviable task of arbitrator – of soliciting the needs and wishes of staff, and community (often conflicting and in competition) and being the final authority on planning decisions reflected in the proposed budget. The principal is now very much viewed as an extension of the Superintendent of Schools at the school level (p. 7).

However, whilst most research acknowledges the importance of the principal, power has not grown unchecked, since the participation and involvement of staff, the enhanced role of governing bodies and increased accountability have provided some limitations. The attitude of principals to their roles determines how they respond to their new powers. There is evidence that financial delegation tends to trickle down to departments in secondary schools and to class teachers in primary schools. However, there are also some examples where the personality of the principal resists further delegation (Levačić, 1989). In general, financial delegation tends to involve wider participation and reduced autocracy, though not universally. It creates a need to legitimize decisions, enlist enthusiasm or expertise, delegate responsibilities and obtain co-operation.

Effects of SBM and financial delegation

The effects of SBM and financial delegation include: (a) improved school development planning; (b) insignificant reduction in central administration costs; (c) hesitancy towards innovation; (d) a trend towards formula funding; (e) the management of time as a resource; and (f) an inevitable effect on student outcomes. Each of these is worthy of some expansion.

School development planning

School development planning is based on priorities and a rationale for expenditure and therefore is affected by financial delegation. In relation to the introduction of a modern language subject for all pupils in years 7 to 11, Thomas (1989, p. 91) remarks "because the school now controls its finance it is inevitable that we look at the most cost-

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effective manner of implementing the curriculum policy". He goes on to describe the budget provided for the purchase of books and equipment, the acoustic improvement of classrooms and the funding for extra foreign language assistants. The proportion of students gaining a GCSE award grade A-C in modern language subsequently rose from 17 per cent to 49 per cent of the cohort.

Central administration costs

While it would be expected that financial delegation would result in less work at the centre and a reduction in central administration costs, Brown (1990) completed a study in British Columbia comparing four centralized districts and four decentralized ones which indicated that no significant reduction in central office costs occurs. A Coopers and Lybrand report (1988) suggested that the increased effectiveness in the use of resources at the local level will probably be balanced by ongoing central costs relating to enhanced roles for advisers and inspectors as well as monitoring costs.

Innovation

Financial delegation has not yet generated major innovation. Since principals are accountable for their delegated budgets they may be more likely to err on the side of caution. It is to be expected that versatility in deploying budgetary funds to derive the greatest benefit would develop with the principal's experience. Ultimately, of course, as decentralization spreads, and despite audit controls, if familiarity breeds slackness, local management may mean more scope for misappropriation. As school principals become more informed about school finance and schools enter a more capital-intensive stage, the requirement for increased investment in educational technology, its support, maintenance and replacement, will demand that the principals as a group lobby strongly for adequate funding from the centre (Smilanich, 1990).

Formula funding

Formula funding is considered more open, understandable and equitable, removing the importance of lobbying and personal influence

(Knight, 1993). All schemes base the formula largely on a 'per student' allocation: the dollar follows the child rule. However, while the formulae have special needs factored into them, problems arising from social deprivation, children needing extra tuition in the prevailing language and high premises costs have rarely been adequately dealt with. The differential in funding between the most disadvantaged schools and their well-off counterparts does not provide the former with an equitable share of available resources.

Frequently, within schools in the UK and Canada there has been a shift in the allocation of resources to boost effective learning opportunities. For example, in Victoria, there has been an increased emphasis on funding the Key Learning Areas for primary schools.

There has been a trend towards the delegation of central services. In Edmonton, as noted earlier, a pilot scheme was introduced for subject consultancy services; in Victoria, school reviews are also conducted by external consultancy services, and in England and Wales central government is pressing local education authorities to delegate the funds for most central services. Schools can then decide whether they purchase these from the local education authority or find an alternative supplier. However, there is a risk that if some schools decline to use these services the cost to other schools may increase. There is also a risk of diseconomies of scale. The investment of the total funds centrally would save time and effort and provide a better financial return. The disadvantage of central investment from a school's point of view is that it may not realize the theoretical equivalent of its allocation. Hence, it is likely that there will be a trend towards the breakdown of the central monopoly of support services.

Management of time as a resource

In the USA and the UK, and to some extent in New Zealand and in Victoria, some restructuring schemes allow schools to determine their own school day, so that they are managing time as a resource. Potentially this is linked with financial delegation, since time spent on teaching and in using physical resources determines the effectiveness of the classroom process. Hence, the concepts of resource hours, teacher hours and dollars per student are components of the financial

responsibility of principals. Knight (1993) anticipates that eventually it would be expected that schools would cost outcomes and compare the costs of alternative learning methods such as the traditional classrooms, supported self-study, computerized learning or distance learning.

The impact on student outcomes

Could the criterion for the allocation of funds be student outcomes? If financial delegation leads schools to evaluate the cost-effectiveness of alternative learning strategies, such as variations on traditional forms of teaching, free school learning approaches, individualized learning and supported self-study, computer-assisted learning, distance learning or learning using the total resources of the community, new learning systems for the twenty-first century and the information age may result.

Knight (1993) refers to 'honey-pot management', the most striking example of which is the America 2000 Education Strategy, where communities and schools will bid for funds to develop 'new age' schools; national awards; specific grants payable on attainment of specified innovative criteria; group innovation, of which there is a number of current examples, including Washington State's Schools for the Twenty-First Century and, in the UK, Education 2000; or government support for alternative schools, as in the free schools in the Netherlands, or city technology colleges in the UK. All of these could encourage expenditure linked to outcomes. Not: 'the dollar follows the child', but: 'the dollar pays for student achievement' (Knight, 1993, p. 140).

Summary of the argument

Briefly, SBM appears to make schools more aware of the need for more effective, purposeful management. In turn, school development planning and more purposeful management are strongly linked to financial delegation. The most highly valued feature of financial delegation seems to be the flexibility it provides to more easily direct funds to meet perceived needs. In conjunction with information technology this minimizes the extra time that would

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otherwise be necessarily spent on school administration. The use of information technology helps in long-term planning and aids school management to make rapid responses where necessary. More resources than before are directed to classrooms and there is increased expenditure directly relating to curriculum development. Undoubtedly, the role of the principal becomes more important and usually participation by other staff and governing bodies increases.

However, there is actually little systematic research on the impact of SBM. Malen, Ogawa and Kranz (1990) report that there has been no empirical verification of the theory underlying SBM which indicates that it develops academically effective schools. In fact, that there is a 'cause and effect' relationship between the introduction of school self-management and an improvement in student outcomes has yet to be demonstrated. Caldwell (1997) affirms that:

> The number of meta-analysis of research on school-based management continues to grow and, for the most part, they continue to reveal little or no impact on student learning. Such reports quite properly lead to questions about the design and implementation of policy on school-based management, and are frequently cited as reasons why the practice ought not be adopted or ought to be abandoned.

While there is no solid evidence that financial delegation has improved schools' outcomes, there is anecdotal evidence that schools derive considerable educational, financial, social and organizational benefits. Being greater masters of their own destiny fosters pride and encourages initiatives and independence of action, all of which contribute to a greater level of job satisfaction for educational practitioners. SBM and financial delegation have a facilitating and a gearing effect on schools. They facilitate because of the flexibility and additional choices that they offer. They gear because they tend to strengthen school management, planning and participation. Financial delegation substantially and progressively affects the school process, feasibly for the better, although its true value and impact appear to lie in the hands of the user. Despite this, experience in Canada, the USA, England and Wales, New Zealand, and Victoria indicates that

the majority of principals and teachers feel that decentralized management in schools promotes professionalism and a sense of job satisfaction (for more analysis see Caldwell and Hill chapter in Ross and Levacic's edition (1999)).

Leadership considerations

As argued throughout this book, the policy process which has driven SBM reforms in western countries has not been determined by educationists. Usually the rationale for reform has been generated by business-orientated proponents or politicians in response to economic considerations, rather than concern to improve equity, social justice or equality of educational opportunity. Where success has been realized, leadership at the most *senior* level has brought about a change in the culture of the system. The leader has clearly and convincingly articulated a vision, demonstrated personal commitment and rewarded commitment in others. The energy and involvement of interested and willing staff has been directed and effectively managed to maintain the overall impetus. Leadership of this type can transform the culture of an organization, alter pre-existing frameworks and establish a new relationship between schools and the centre. The system 'head office' is conceptually relocated from the top of a vertical hierarchy to the hub of a flattened radial structure. Horizontal interaction replaces vertical consultation and the service ethic replaces preoccupation with promotion and power play.

Leadership characteristics seem to have been very important in determining the success of SBM. Where success has been realized, leadership at the most senior level has brought about a change in the culture of the system. Quality leaders, such as, Berry, Ballard, Hayward, and Strembitsky in California, New Zealand, Victoria, and Edmonton respectively, enabled the realization of these changes in system culture. Their leadership styles are aptly described as 'transformational'. They succeeded in communicating their vision of the benefits to be gained from SBM to their staff. Subsequently, they captured the willing participation and commitment of school principals and teachers at the site level. In as much as competent leadership influences school effectiveness, it is an important factor in

equity realization. Following system restructure, transformational leadership can help remaining staff accept the challenge of meeting public demands for equity within their new framework of operation.

In Victoria, for example, the full transformation of all government schools into the SBM – Schools of the Future – was completely supervised by a strong minister of education who believed in the value of such reform. Minister Hayward was instrumental in the smooth implementation of the reform, established task forces, educational committees, administrative committees, curriculum committees, and provided the necessary funds for extensive programmes of professional development, for assisting schools to move into SBM, and for other unexpected needs.

In Canada, as another example, the leadership of Superintendent Strembitsky has been the most frequently cited factor for the success of SBM in Edmonton. The success of the reform has been monitored by system-wide and school-based opinion surveys, involving principals, teachers, parents and students, conducted since the inception of the programme, and by systematically appraising student performance using centrally administered achievement tests. Brown (1990, p. 202) reported that "many interviewees described Strembitsky as visionary; a person with firmly-held convictions who is able to translate those beliefs into action by working with people. Perhaps most apparent are some of his beliefs about individuals. He says that they want to be creative at their work . . . that they would like to participate in a cause greater than themselves".

In the USA, E. Raymond Berry, the superintendent of Riverside Unified School District, led the introduction of SBM in California from 1968. Berry's leadership succeeded in bringing about a process of evolutionary change, which is highlighted by the following comment: "The intentional acts of the superintendent were to change the central office from a command to a service structure, flatten the organization, give the principals site budgetary and programmatic autonomy, and allow participation in organizational decision-making" . . . as a result, the school district was "transformed in significant ways" (cited in Caldwell and Spinks, 1992, pp. 186-187).

In New Zealand, Dr Russell Ballard was appointed as chief executive officer to oversee the change to school self-management. Ballard acted as a change agent, bringing the vision of others to realization. He articulated clearly what was expected of schools and their communities, mobilized human resources and demonstrated the strength and confidence which assured others that all could be accomplished (Caldwell and Spinks, 1992). Ballard's impact represented an affirmation of the importance of effective leadership. Under his leadership, schools became stand-alone units with no districts, education boards, or county bodies telling them what to do or how to do it, or giving them support to do it.

At the school level, leadership which succeeds in developing a school culture of staff commitment to improved student outcomes is more likely to boost the quality of the learning experience. Teachers who are more involved in school activities and better informed about the school's circumstances more willingly participate in planning resource utilization. The school leader contributes significantly to the development of a 'vision'. In this way, competent leadership influences all aspects of the school's performance. The advantages achieved include: improved competition; incentive; professionalism; job-satisfaction; cost-effectiveness and localized management decisions. Nevertheless, strong leadership is necessary in order to realize a change in the system culture. The example must come from the head of the system, and schools need time to develop the skills demanded by the change, as well as the confidence to express an individuality which aligns them with social demand.

Burns (1978) distinguished between transformational and transactional leadership. In the former, the emphasis is on the capacity to engage others in a commitment to change, while the latter involves a maintenance of the status quo by exchanging an assurance of a secure place of work for a commitment to get the job done. The nature and magnitude of the changes, which must occur if SBM is implemented successfully, demand effective transformational leadership at the centre and in each school. The centre's new priorities target a reduced range of functions, although not with a reduction in power, with a focus on service to schools rather than authority to

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determine their day-to-day activities. At the school level, there is more authority, responsibility and accountability to the local community, while not losing accountability to the centre. Most significantly, the school's continued existence will depend on its success in generating a demand for its services, so that school staff will need to master a new awareness of, and sensitivity to, the market, in order to guarantee the school's viability.

The role of the teacher unions is an important aspect of system transformation. In most countries, teacher unions have, at least initially, been opposed to SBM. Subsequently, and probably because most principals have come to prefer self-management to the more centralized arrangements, signs of teacher acceptance usually follow (Caldwell and Spinks, 1992). In addition, when major issues such as equitable resource allocation are seen to have been addressed, fears abate. While it was not surprising that, in response to centralized decision-making, teacher unions adopted a conservative stance, usually when the active involvement and support of teacher unions were successfully engaged, they contributed significantly to the advancement of the decentralization cause. Indeed, in the USA, the President of the American Federation of Teachers, Albert Shanker, adopted a supportive stance in relation to the school-site management from the outset and this was very influential in promoting restructuring in that country. A union's opposition to SBM conflicts with the empowerment of its teachers. Inevitably, the shift in decision-making to the school level strengthens the latter and considerably offsets the former. A combination of political strengths, together with a supportive community, generates the momentum necessary to successfully implement SBM. However, while unions have maintained a cautious, if not sceptical, stance, it would seem appropriate for them to remain vigilant.

Transformational leadership is necessary to change the culture of the system so that teachers and principals are committed to the core value of SBM and, most importantly, to that of service. Hayward, Strembitsky, Ballard and Berry had total confidence in, and were totally committed to, the achievement of intended outcomes. In all cases, clear visions, powerfully articulated and methodically

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implemented, were realized. Leaders of teacher unions require the same qualities, as indicated in the case of Albert Shanker of the American Federation of Teachers.

While there are major advantages to be gained from financial delegation in a decentralized system, there are problems which must be addressed. They include the time spent by principals on financial management as well as on arbitrating the conflicting needs and wishes of staff and community, at the expense of instructional leadership; the classification of the principal by school staff as a bureaucrat rather than an educator; and the advocating of excellence rather than equity. However, while the task is not an easy one, it is unlikely that the momentum towards decentralization will be lost. The involvement of more staff in decision-making at the school-site level can only augment the flow of ideas and the sense of commitment through ownership. Staff who identify closely with the objectives of the school are more likely to contribute positively towards their realization.

The change of culture at the centre to one of service requires that all day-to-day activities be driven by the value of providing support to schools. One positive example is that of the Edmonton Public School District in Alberta, Canada, where district consultancy services were included in the framework of SBM in 1986. After three years, there was evidence of a strengthening culture of service. The outcomes included: (i) a 'mission' which included the support of schools and central services as well as the opportunity to influence the setting of district policies and priorities; (ii) a clarification of the division of responsibility between central support and schools; (iii) approaches to needs assessment which encouraged schools to plan and then allocate resources in their budgets for the provision of appropriate services; and (iv) service agreements with schools (Caldwell and Spinks, 1992). Subsequently, a strengthened culture of services became increasingly valued by schools in the districts.

The adequacy of formula funding and the quality of leadership significantly impact on equity. Assuming that equity is a genuine goal in a decentralized system, the writer emphasizes that it is the most fundamental component of an effective public education system and

demands intensive investigation within that framework. The limited amount of literature treating this topic indicates that it is a research topic begging investigation.

Equity considerations

In educational terms equity means, that "every child, regardless of circumstance, should receive an education which will enable the full development of capability" (Caldwell and Spinks, 1992, p. 12). In several parts of the world, there is an increasing insistence that this be realized. Policies which have led to an increase in the retention rate of students, at least to the end of secondary school, have necessitated approaches to resource allocation which enable schools to meet the individual learning needs of every student. Decentralized school-based budgeting is replacing the centralized, relatively uniform approach to allocating resources to schools which was assumed to be equitable in the past.

In countries where decentralization of resource allocation has been implemented, it has taken time in each place to determine the criteria for allocating resources to schools. As indicated by Caldwell and Spinks (1992):

> It is essentially a process of determining what it costs to provide different educational experiences to students with different educational needs and then devising a schedule of grants to schools which are combined to form a school's total allocation. The total resource allocation to a school is, in effect, determined by the number of students who attend the school, the educational needs of those students and the kinds of educational programmes they will undertake (p.12).

In the 1970s, Garms, Guthrie and Pierce argued the case for equity through self-management by drawing attention to the flexibility of budgetary control at the local level in responding to local priorities. This, they said, contrasted with a centrally controlled budget, which tends to treat all schools as clones of a standard type and ignores

resource differences, making it more difficult to match services to student needs.

Where decentralization has led to self-management based on a 'global budget', the challenge of allocating resources equitably becomes reduced to devising the correct formula for funding. Inevitably, an analysis of historical costs precedes the derivation of such a formula, but inequities are frequently revealed and major reductions in allocation which might be considered justifiable are strongly resisted, so that attempts to redress the situation meet strong opposition (see the SGB development in Victoria). As outlined in Caldwell and Spinks (1992) the 'God only knows' (GOK) descriptor has often been applied to circumstances where the criteria accounting for resource allocation defy systematic and objective analysis. Other bases for formulae include the 'Age Weighted Pupil Unit' (AWPU) and the 'Need Weighted Pupil Unit' (NWPU). Application of the former often reflects the historical practice of providing the most sophisticated equipment and facilities for senior students, while frequently the latter requires supplementary data, for example, information distinguishing between start-up funding and that needed to sustain an ongoing programme, for meaningful conclusions to be drawn. More recently, the KIAK (the Kid is a Kid) formula has attracted some support for replacing the very complex considerations of individual need by a single, uniform per-student allocation for all students in the system on the basis that the full range of learning needs of students is distributed throughout the system.

No matter which formula is chosen (see Ross and Levacic's edition (1999)), there are both winners and losers so that it is important to create a framework which is responsive to feedback and into which a safety-net provision can be built to avoid any steep declines in resource allocation. The clear objective of giving priority to student needs in allocating resources helps to minimize conflict. With the benefit of accumulated experience, it should be possible to develop and refine a formula which accounts for the needs of any school community. However, mindful of the time required for feedback, response to the need will always lag behind its recognition. An attractive feature of formula funding is that it lends itself to scrutiny.

In addition, it minimizes lobbying and the reliance on influential contacts in determining resource allocation.

Caldwell and Spinks (1992) acknowledge that devising formulae for equitable resource allocation is a demanding as well as crucial task. It requires expertise and experience in two fields, namely, the capacity for financial analysis and a capacity to relate educational philosophies, policies and programmes to resources. However, because the issue of budget allocation for staff is complex and sensitive, it has the capacity to jeopardize the transition to SBM, and it should be given priority both during the introductory research and evaluation phases as well as in all stages of implementation.

Equity, as one of the many aspects of school effectiveness, is influenced by more than budget allocation. As noted earlier, leadership at both the senior-centre level and school level which succeeds in developing a school culture of staff commitment to improved student outcomes is more likely to boost the quality of the learning experience. Teachers, also, who are more involved in school activities and better informed about the school's circumstances more willingly participate in planning resource utilization.

Conclusions on the chapter

There is a dearth of school-effectiveness research to form the basis of an assessment of procedures which empowered principals and teachers have so far practised in self-managing schools. Despite this, Caldwell (1993b), indicates that some educational professionals would, over the next 20 years, wish to go further and progress towards self-governing schools where teachers would be employed by their school councils and the line of authority would run from principal to the chair of the school council who, in turn, would be accountable to the community and, in relation to public funds and the achievement of state expectations, to the minister.

In contrast, Smyth (1993, p. 2) describes the process of school devolution as showing: a deliberate process of subterfuge, distortion, concealment and wilful neglect as the state seeks to retreat in a

rather undignified fashion from its historical responsibility for providing quality public education. Having opted for decentralization, national governments have yet to demonstrate that school effectiveness or student outcomes have improved. Similarly, that equity has been realized in a decentralized system remains to be documented. However, theoretically, provision for fair, annual, global budget allocation to schools on a needs basis, could account for equity concerns. The recognition of need which determined the allocation of resources to schools in the Edmonton Public Schools District (and in Victoria) illustrates two attempts to address the equity question (Caldwell and Spinks, 1992). The derivation and continued evolution of a needs-based funding formula demands expertise and a responsive attitude at the system's centre. Schools need to be able to document and convincingly represent their needs, to influence the derivation of a responsive funding formula. Special needs which arise unexpectedly could be compensated for retrospectively.

Perhaps the most problematic area in determining budget allocations is that for staff. Should schools be charged for staff according to actual costs of salaries on a school-by-school basis or should there be a notional mean salary applicable throughout the system? Caldwell and Spinks (1992) report that England and Wales have opted for the former and Edmonton for the latter. They indicate that this contentious issue often unmasks "major inequities in traditional and current per-student costs of staff" (p. 168). Teacher unions are extremely sensitive to this threat to members' remuneration. Demaine (1993, p. 35) warns of the perceived threat posed by the New Right in the UK: "the New Right regards the removal of teachers' national pay scales, the rewriting of individual teacher contracts and the break-up of teachers' capacity for trade union activity as necessary to the provision of an improved educational service". Unless matters of this type are satisfactorily resolved, in consultation with the unions concerned, they jeopardize the transition to self-management.

In relation to other factors which will promote equity in an SBM system the writer concurs with Caldwell and Spinks (1992), who have identified the need to continually refine and improve the formula for allocating resources to schools on a needs basis. In addition, it would seem prudent to provide 'safety nets' during the transition

years in anticipation of rapid changes in system priorities or local circumstances. An important factor in promoting equity in a decentralized system is the culture at the centre. Responsiveness, an aspect of a culture of service, must be demonstrated if schools are to be confident of meeting their communities' expectations.

The transition from dependency in a centralized structure towards autonomy in a decentralized structure requires changes of culture at the system and the school level. In particular, the centre needs to adopt a culture of service and principals and teachers need to adopt a culture of independence and initiative. Transformational leaders can work with stakeholders to formulate a vision and communicate this vision to the rest of the community. They empower others to become involved in decision-making, assisting them to acquire the necessary knowledge and skills. However, the demand for such leadership is not easily met, and this remains a challenge for those optimistic, as the writer remains, about the implementation of self-management.

In western countries, the educational megatrends towards decentralization and SBM have been operative for the past 20 years. The thrust has been instigated by politicians and economists to create a better-educated workforce in order to improve national productivity and strengthen the economy. Resources are allocated to self-managing schools on the basis of student numbers and needs, and principals and school boards/councils are held accountable for their distribution. The quality of financial management at the school level determines the effectiveness of many aspects of the learning environment including knowledge (the curriculum), materials, technology, people and time. The leadership role of the principal is a demanding one, influencing many aspects of the school's performance. Transformational leadership – a style yet to be commonly observed – at both system and school level, seems to generate the empowerment, trust, synergy, accountability and sense of service necessary for successful management at the school-site level. However, realizing equity remains the core value for all SBM systems and it is a precondition for governments to claim improvement in student outcomes.

V. Moving to SBM

Introduction

The purpose of this book for the 'Fundamentals of Educational Planning' series was to review the origins and basic features of the concept of decentralization of school management or *school-based management* (SBM), as this trend has become increasingly important in the 1990s. It was noted that SBM reform has been advocated by many bodies, government and non-government, who are always calling for greater local control of schools, with the aim of increasing the efficiency and effectiveness of school education. The topic is becoming very controversial, especially among researchers on school effectiveness and school improvement. These researchers have emphasized the importance of strong school leadership, financial delegations to schools, as well as community and parental involvement in improving school effectiveness.

The book provides a detailed account of a range of views from various camps on the reform, with an evaluation of its educational imperatives. After having defined SBM and distinguished between the various views on decentralization, the main features of the reform were examined together with aspects of educational management that are relatively centralized and/or decentralized. Case studies from English-speaking research were reviewed to provide answers and evidence of the movement. This review showed that one of the most radical system-wide applications of SBM occurred in the State of Victoria, Australia, which was described extensively in Chapter 3. Issues related to equity, leadership, financial delegation and resource allocations were examined. The aim of this current chapter is to summarize the main issues covered, the lessons learned and the key steps that could be considered by a ministry of education to move to SBM. The chapter assists planners and decision-makers to realize the various aspects involved in the reform, and the process of its implementation.

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The reform revisited

The book started with the premise that several megatrends were shaping society today. Caldwell and Spinks (1992, pp. 7-8) explored these trends and put forward a thesis for the transformation of school education which is based on the following premises:

- a powerful but sharply focused role for central authorities;
- an education system that is responsive to national needs within a global economy;
- government (public) schools become largely self-managing within a centrally determined framework, and distinctions between government and non-government schools will narrow;
- a concern for the provision of quality education for each individual;
- a dispersion of the education function, with telecommunications and computer technology;
- an expansion of the basics in education to include problem-solving, creativity and a capacity for lifelong learning and re-learning;
- a parent and community role in education will be claimed or reclaimed; and
- a concern for service by those who are required or have the opportunity to support the work of schools.

The SBM initiative is one of the more advanced and comprehensive attempts at incorporating the major features of these premises. For example, these premises are apparent in many features of the policy directions and strategies that were contained in the 1988 and 1992 Education Reform Acts in the UK, the Schools of the Future reform in the State of Victoria, Australia, in Hong Kong, in New Zealand and other countries.

The assumption for a SBM policy is that by devolving increased responsibility and authority to schools, as well as a much higher proportion of the funds to support the achievement of policy objectives within a more explicit set of policy guidelines, and laying over the top of this arrangement an articulated performance management strategy, this will facilitate and encourage improvements in both effectiveness

and efficiency in public education. This means, in simple English, that "the school management tasks are set according to the characteristics and needs of the school itself and therefore school members (including board of directors, supervisors, principals, teachers, parents and students, etc.) have a much greater autonomy and responsibility for the use of resources to solve problems and carry out effective education activities, for the long-term development of the school" (Cheng, 1996, p. 44).

In this book, it was shown that schools in several countries around the globe are being asked to become 'self-managed'. This shift in educational policy and administration reflects a repositioning of power from higher (the centre) to lower (the school) authorities in relation to curriculum, budget and resource allocation, staff and students and, in some instances, assessment. A recurrent theme for the reform towards SBM has been its perceived ability to deliver a range of qualitative improvements to education. Townsend (1997, p. 215) noted that decentralization should provide:

- an improvement in the effectiveness of decisions related to education policy at both the school and system levels;
- improved school management and educational leadership;
- provision of a more efficient use of resources;
- improved quality of teaching;
- the development of a curriculum more appropriate to future workforce and social demands; and (perhaps as the focus of all of those above)
- generate improved student outcomes.

It should be acknowledged that for many ministries of education the main problem in implementing increased levels of SBM is to balance increased diversity, flexibility, and local control with their responsibilities for ensuring that (a) an orderly delivery of education occurs across the whole nation, and (b) that the quality of this education is fairly similar (equitable) across geographic, socio-economic, and ethnic divisions of society. In other words, the key question for many ministries is how to ensure 'good' and 'equal' levels of educational performance without having to exert high levels of centralized control.

For a ministry of education wanting to move to SBM, it should, first, structure the overall system and provide a statewide framework within which it would create its school education and financing policies. The ministry's task is to identify which roles and functions should remain centrally provided and which roles and functions should be decentralized to school sites, with these substantive decisions driving what percentage of the budget is retained at the centre and what percentage is devolved to school sites. At the same time, the ministry of education needs to create a comprehensive but still frugal and largely student-weighted formula to budget the bulk of the education budget in a fair way to each school site. The minimum that should be devolved to the sites are: instruction, support for instruction and students, and administration functions. These functions comprise about 75 per cent of the average education budget. In some cases, up to 95 per cent of the education budget has been devolved to schools. This should be accompanied by a computerization of the financial system, or schools will use some of their new money to hire administrative staff to 'manage the books'. One important function of the ministry is to design and administer an accountability system, and this function should be adequately funded.

Lessons learned

As noted in this book, some education systems and their schools have taken the reform as a means for reviewing and improving the provision of education to their children and local communities. Several authors wrote about the lessons learned so far from this reform (Caldwell and Spinks, 1992; Caldwell, 1997, 1998; Odden and Busch, 1998; Gurr, 1999; Townsend, 1997; David, 1989). These authors claimed that SBM can be implemented in a relatively few number of years. Odden and Busch (1998) noted that "decentralized school administration will not automatically improve schools. Decentralized school management entails much more than just creating a school council and giving it some decision-making authority or just giving schools decision-making authority over the full site budget" (p. 25). They add that, for SBM to work "it must provide a series of organizational conditions at the school level. Schools must then use these conditions to work on and improve the dimensions of schools

that most directly affect student achievement – curriculum and instruction. Further, SBM must be coupled with school-level accountability for results. Finally, SBM must provide schools with control over their budget.

Evaluation of the reform revealed other lessons learned as noted by various researchers. First, school departments make different decisions about elements of staffing, schedules and curriculum when given actual control over their budgets and relief from restrictions. Second, teachers and principals report increased job satisfaction and feelings of professionalism when the extra time and energy demanded by planning and decision-making are balanced by real authority. Conversely, marginal authority coupled with requirements for site councils, plans, and reports, results in frustration. Third, implementation of SBM involves a lot of steps and takes from 5 to 10 years. It is premature to pass final judgement on the reform in most countries. Important aspects related to the equity and leadership issues remain to be investigated further. Before a legitimate conclusion can be drawn in relation to the equity of a decentralized system, much more school-effectiveness research, including longitudinal studies, will need to be completed.

Implementation procedures

From the above, it could be concluded that there are several phases to implementing an SBM model in school's management. The phases relate to where the school education is going and why; how it is going to get there; checking very carefully to see if and when it has arrived. These phases are clearly related to aspects of setting up aims and objectives, of policy making, of curriculum planning, of resource provision, of implementation, and of evaluation and review. Looking at the case studies, in particular the detailed presentation of the Victorian's SOF in Chapter 3, reveals that the fundamentals to SBM are local control and shared decision-making. These two fundamentals should be applied to at least five education operations: goals, budget, personnel, curriculum delivery, and organizational structures. The following is a detailed account of possible procedures

which could be adopted by a ministry of education when it decides to move to SBM.

The first step is to establish both a vision of desired outcomes, especially in terms of improving education quality and students' achievement, and a vision of a restructured education system. This was clear in the Victorian case study, which is considered a very successful story. Benchmarks for students' outcomes were established in that system, together with the institutionalization of standard examinations at various stages in the school cycle. The administration, at both the ministry and district levels, was reformed as well, with a reduction in the districts' responsibilities, though the number of regional or district offices was increased. It is important to use 'national' or 'central' goals, standards, and benchmarks to focus SBM reform efforts on "high levels of student learning and to funnel the energies of school staff to the changes in curriculum and instruction needed to produce that level of learning" (Odden and Busch, 1998). It is also important to have a centralized framework for policies and guidelines, as well as policies which could be used as catalysts to promote and support restructuring.

Implementation of the reform requires the acceptance by both the customers and stakeholders of the education system. Hence, it is important to build a coalition of business, community, education and political leaders, in particular, building strong alliances with teachers' unions (the cases of both England and Wales and Los Angeles present examples of strong interaction and support given by teachers' unions to SBM). Such alliance and interaction will be important for gaining public and political support for the reform.

The ministry of education and the school system should work together to demonstrate and promote shared decision-making. There should be a clear communication of the central goals and visions to the school level. This necessitates flexibility on the part of the ministry of education and requires it to encourage experimentation and risk taking and to decentralize decision-making. At the same time, all teachers and other professionals in the school community should be involved in the decision-making by establishing, for example, a network

of teacher decision-making forums and work teams. This requires that the functions and the roles given to central, district or local education authorities should be changed. Here, the roles should be transformed from enforcement to assistance.

The ministry of education should restructure the school's administration as well as teachers' roles. This means that new roles in school and central office should be created, and should be accompanied by a delegation of authority to schools to define new roles and responsibilities for their staff, to select staff, and to create a new learning environment. As for the principals, they should be encouraged to involve teachers and the community in the decision-making at the school site. By selecting their own staff, schools will be able to build a cohesive core of staff committed to the school's mission, vision, and culture. At the other end, the ministry of education should develop ways to reward staff behaviour that help achieve school objectives, and it should aim at selecting principals who can facilitate and manage change.

The ministry of education should aim to achieve efficiency and effectiveness in the process of implementation and sustainability of the reform. To achieve these, it is important to provide ongoing development opportunities for every teacher and administrator. Professional development should include not only areas of instruction, but also curriculum development and management skills. This also requires that additional time should be allocated and given to staff to assume their new roles and responsibilities.

Devolution of power and decentralization requires continuous checks and balances to ensure quality and equity of education provision. This means that the system at both the school and system level should be held accountable through a well-structured accountability framework.

It is equally important to give all students every chance to learn and contribute through reforms in curriculum planning and delivery. Hence, professional development should focus on developing skills to improve and transform schools' culture to become committed to producing higher levels of learning for all students.

It was noted in the most successful cases, especially those of the Schools of the Future in the State of Victoria, that the reform was implemented in stages using pilot schools for the first year, and then extending it to the rest of the system in stages. So, it is important to use pilot sites before expanding the reform to all sites.

The Victorian case study, and others, have shown that the ministry of education has allocated special sums of money to assist the implementation of the reform at both the school site and the central level. Resources allocated to schools were in several forms. Lump sums and cash advances were given to assist schools in site implementation. Principals and teachers were given release time to attend professional development and specific training. Materials and information kits were made available to schools and their communities. Other forms of assistance were also provided. All of these have ensured a successful implementation, and have given the reform all the public and political support it needed. The ministry of education should be prepared to devolve some of its resources to schools from the first instance.

Again, this case study has shown the importance of information technology and other forms of technology in the implementation of the reform. So, it is important for the ministry of education to think about the use of technology and the form of the technology which could be easily adopted in the country to support the implementation of SBM.

It was clear in all of the case studies reviewed that SBM efforts have devolved budgets to school sites and have given schools more flexibility in the use of their resources. Control over the budget is at the heart of efforts to produce SBM and to decentralize authority. Without the ability to allocate resources as deemed most appropriate, the other dimensions of SBM lack force. Devolution of budgets could mean the allocation of funds to the school in a lump sum rather than for predetermined categories of expenditures (for example, a certain amount for salaries, a certain amount for materials, etc.). This allows schools rather than the central authority to determine how funds will be employed. Hence, it is important to provide schools with control over the budget and the power to reallocate current resources to

more productive areas, as seen appropriate by the school. Formula funding is the means by which to ensure the equitable allocation of funds.

Connected to budgetary discretion is control over the defining of roles and the hiring and development of staff. Generally, the allocation of teaching positions is determined at the central level. Within this constraint, and subject to national regulations, members of the school community should be given the authority to exercise control over who will fill these slots. That is, local staff selection means that candidates for teaching positions are interviewed by the school and the choices are passed back to the central authority for employment. Staff flexibility, which is being implemented in the State of Victoria, means that schools are still free to select staff; they also have the option of using funds budgeted for teachers for other purposes. For example, schools can take money allocated in principle for a teacher and use it to purchase books and materials or to hire two or three paraprofessionals. In the most extreme case of SBM, authority – either partial or full – for the employment of the principal is held by members of the local school community. The ministry of education should consider one form of control over the hiring of staff by the schools.

SBM, in its extreme form, means that schools have control over the curriculum. Here, a school-based curriculum means that each school's staff decides what teaching materials are to be used, as well as the specific teaching and learning methods to be employed. It also means that the principal and teachers at the local level determine their own professional development needs and contract with whomever they wish to meet those needs. At the same time, structures within which the educational process unfolds represent a final area of control for teachers, administrators, and the local community under SBM. These groups become free to alter the basic delivery structure in schools, to develop alternatives to the model of the individual teacher working with groups of students in a pre-determined time block. In Victoria and in some schools in the USA, primary schools are creating educational programmes that dramatically change the practices of grouping children by age for classes and ability for instruction. At the secondary level, a number of self-managed schools are experimenting

with alternative programmes, core curricula, and outcome-based education. Both of these aspects are considered optional for the ministry of education. In some systems of education, it might be inappropriate to give schools control over the curriculum and/or the structure for its delivery.

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In recent years, policy makers have come to believe that to improve education quality, it is necessary to jump from the classroom teaching level to school organization level and reform the structural system and management style of schools. As a result, many developed English-speaking countries have instituted school based management in the structure of educational governance. Interest in such a reform is currently spreading to other parts of the world including parts of continental Europe and developing countries.

The purpose of this book is to review the origins and basic features of the concept of decentralization of school management or school based management. Although many bodies, national and international, are advocating its implementation, with the aim of increasing the efficiency and effectiveness of school education, the topic is fairly controversial. As argued in the book, the rationale for many such reforms has been generated by business oriented proponents or politicians, in response to economic considerations, more than by educationalists concerned with improving equity, social justice or equality of educational opportunity. Many researchers now emphasise the importance of strong school leadership, as well as community and parental involvement in improving school effectiveness.

The book provides a detailed account of a range of views from various camps on the reform, with an evaluation of its educational imperatives.

Ibtisam Abu Duhou initially studied engineering at the University of New South Wales, and then later moved to higher studies in the field of educational planning and administration at the University of Pittsburgh. She holds a senior academic position at the University of Melbourne and has worked as an educational consultant on a range of World Bank, UNESCO, and UNICEF projects. In recent years she has taken a leading role in establishing an office of educational planning for the Palestinian Ministry of Education. Her research interests include studies of educational costs and new approaches to resource allocation among schools based on [illegible]

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